# FRIEND, HUDAK & HARRIS, LLF

ATTORNEYS AT LAW

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ATLANTA, GEORGIA 30346-2117

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Writer's email: kwoods@fh2.com

June 24, 2009

Arizona Corporation Commission

DOCKETED

# **VIA OVERNIGHT MAIL**

ORIGINAL

Docket Control Center Arizona Corporation Commission 1200 West Washington Street Phoenix, Arizona 85007-2927

DOGNETED BY

Re:

Amended and Restated Application and Petition of AGL Networks, LLC for a Certificate of Convenience and Necessity to Provide Intrastate Telecommunications Services (the "Amended and Restated Application"); Docket No. T-20667A-09-0179

Dear Sir or Madam:

Enclosed are the original and fourteen (14) copies of AGL Networks, LLC's Amended and Restated Application. The Amended and Restated Application, including the proposed tariff (Attachment "B"), adds resale to the authority requested by AGL Networks, LLC. In addition, the proposed tariff has incorporated several substantive changes requested by Arizona Corporation Commission Staff. Please file the Amended and Restated Application in your usual fashion and return one (1) file-stamped copy to us in the enclosed envelope.

If you have any questions or comments, please call the undersigned.

Sincerely,

Kennard B. Woods

Attorney for AGL Networks, LLC

KBW/nah

Enc.

cc: AGL Networks, LLC (with Enc.)

Norman B. Gerry, Esq. (without Enc.)

#### ARIZONA CORPORATION COMMISSION

# Amended and Restated Application and Petition for Certificate of Convenience and Necessity to Provide **Intrastate Telecommunications Services**

Mail original plus 13 copies of completed application to:

For Docket Control Only: (Please Stamp Here)

**Docket Control Center** Arizona Corporation Commission 1200 West Washington Street Phoenix, Arizona 85007-2927

Please indicate if you have current applications pending in Arizona as an Interexchange reseller, AOS provider, or as the provider of other telecommunication services.

Type of Service:

Applicant has no current applications pending, other than the original application filed in

this proceeding:

Docket No.: T-20667A-09-0179 Date: April 7, 2009 Date Docketed: April 14, 2009

Type of Service:

Applicant has no current applications pending, other than the original application filed in

this proceeding:

Docket No.: T-20667A-09-0179 Date: April 7, 2009 Date Docketed: April 14, 2009

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and mark the appropriate box(s).  Resold Long Distance Telecommunications Services (Answer Sections A, B).  Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).  Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).  Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, C, D, E)						
Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).  Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).						
Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).						
Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, C, D, E)						
Alternative Operator Services Telecommunications Services (Answer Sections A, B)						
Y Other Please see Attachment "E". (Please attach complete description)						
(A-2) The name, address, telephone number (including area code), facsimile number (including area code), email address, and World Wide Web address (if one is available for consumer access) of the Applicant:						
Response:						
AGL Networks, LLC Ten Peachtree Place Suite 1000 Atlanta, Georgia 30309 Telephone: 404-584-4917 Facsimile: 404-584-3375 Email: wharris@aglresources.com http://www.aglnetworks.com/						

(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2):

Response: None

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

Response:

W. Andy Harrison Managing Director of Business Operations AGL Networks, LLC Ten Peachtree Place Suite 1000

Atlanta, Georgia 30309 Telephone: 404-584-4917 Facsimile: 404-584-3375

Email: wharris@aglresources.com

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

Response:

Norman B. Gerry, Esq. Kennard B. Woods, Esq. Friend, Hudak & Harris, LLP Three Ravinia Drive Suite 1450 Atlanta, Georgia 30346-2117 Telephone: 770-399-9500

Telephone: 770-399-9500
Facsimile: 770-395-0000
Email: ngerry@fh2.com
kwoods@fh2.com

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Complaint Contact Person:

Response:

W. Andy Harrison Managing Director of Business Operations AGL Networks, LLC Ten Peachtree Place Suite 1000

Atlanta, Georgia 30309 Telephone: 404-584-4917 Facsimile: 404-584-3375

Email: wharris@aglresources.com

(A-7) What type of legal entity is the Applicant? Mark the appropriate box(s) and category.					
Sole proprietorship					
Partnership:Limited,General,Arizona,Foreign					
X Limited Liability Company: Arizona, X Foreign					
Corporation: "S", "C", Non-profit					
Other, specify:					
(A-8) Please include "Attachment A":					
Attachment "A" must include the following information:					
<ol> <li>A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in Arizona.</li> </ol>					
<ol> <li>A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).</li> </ol>					
3. Indicate percentages of ownership of each person listed in A-8.2.					
Response: Please see Attachment "A".					
(A-9) Include your Tariff as "Attachment B".					
Your Tariff must include the following information:					
1. Proposed Rates and Charges for each service offered (reference by Tariff page number).					
2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).					
3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).					
<ol> <li>Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).</li> </ol>					
5. The proposed fee that will be charged for returned checks (reference by Tariff page number).					
Response: Please see Attachment "B".					
(A-10) Indicate the geographic market to be served:					
X Statewide. (Applicant adopts statewide map of Arizona provided with this application).					
Other. Describe and provide a detailed map depicting the area.					
Please see Attachment "H".					

(A-11) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency.

Describe in detail any such involvement. Please make sure you provide the following information:

- 1. States in which the Applicant has been or is involved in proceedings.
- 2. Detailed explanations of the Substance of the Complaints.
- 3. Commission Orders that resolved any and all Complaints.
- 4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.

Response: On October 1, 2002, the Missouri Public Service Commission ("MPSC"), in its Order Approving Interexchange and Nonswitched Local Exchange Certificates of Service Authority, in Case No. XA-2003-0060, granted AGL Networks, LLC certificates of service authority to provide interexchange and nonswitched local exchange telecommunications services.

On January 29, 2004 the Staff of the MPSC filed a complaint against Applicant, alleging that it was subject to penalties for failing to file an annual report for 2002. On June 17, 2004, the MPSC entered its Determination on Pleading and Order Directing General Counsel to Seek Penalties, in Case No. TC-2004-0314. The order authorized and directed the General Counsel of the MPSC to seek penalties against Applicant in Circuit Court for failure to file an annual report for 2002. On November 8, 2004, the General Counsel's office issued a letter stating that, notwithstanding the MPSC's June 17, 2004 order, the parties had agreed that Applicant had never exercised authority pursuant to its certification, that the MPSC in subsequent cases had found that companies that never exercised their certificate of service authority were not responsible for submitting annual reports, and that in such cases the MPSC had denied Staff's complaints. Accordingly, the General Counsel's office advised Applicant that the General Counsel's office would not pursue any penalty action against the company.

On January 11, 2005 the Staff of the MPSC filed a motion in Case No. XD-2005-0222, requesting the MPSC to find that the certificate of service authority issued to AGL Networks, LLC was null and void, since, according to Staff, Applicant did not have an approved tariff in Missouri, and Applicant had stated in the aforesaid complaint action that it had not provided telecommunications services in Missouri at any time. Applicant also requested that the MPSC find its certificate null and void. On February 16, 2005, the MPSC issued its Order Finding Certificate Is Null and Void and Directing Staff to Remove Company From Its Record of Certificated Companies. The order also stated that Staff noted that Applicant did not owe the MPSC any assessments, and that Applicant had submitted all outstanding annual reports.

On March 24, 2008, AGL Networks, LLC requested certificate of service authority from the MPSC. On April 30, 2008, the MPSC, in its Order Approving Interexchange and Nonswitched Local Exchange Certificate of Service Authority, in Case No. CA-2008-0306, granted Applicant certificates of service authority to provide interexchange and nonswitched local exchange telecommunications services. Applicant has filed its annual report for 2008 and the other compliance reports required by the MPSC, and also has an approved tariff with the MPSC to provide telecommunications services. Accordingly, the circumstances described in the complaint and motion proceedings described above should not recur.

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

Describe in detail any such judgments or convictions. Please make sure you provide the following information:

- 1. States involved in the judgments and/or convictions.
- 2. Reasons for the investigation and/or judgment.

3. Copy of the Court order, if applicable.				
Response: On or about December 29, 2008, Southwest Gas Corporation filed a Complaint in the Superior Court of Maricopa County, Arizona, against the City of Tempe, AGL Networks, LLC, Speedy Gonzalez Construction, Inc., Does 1-10, and Roe Corporations I-X, in Case No. CV2008-032658. The Complaint seeks damages that allegedly resulted from breakage of a 24-inch water main by a contractor for Applicant. The Complaint is pending; therefore, no judgment has been entered in the case. However, Applicant and Speedy Gonzalez Construction, Inc. have filed a cross claim and third party complaint against the City of Tempe for its failure to properly locate and mark underground utilities in an amount equal to the claim against Applicant. The Arizona Corporation Commission found that Speedy Gonzalez Construction, Inc. followed all applicable underground facility laws and the City of Tempe had not properly identified the 24-inch water main line, and the Commission issued the City of Tempe a Notice of Violation because an "owner of underground facility failed to properly identify or mark underground facility."				
(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.				
Yes <u><b>X</b></u> No				
Response: Applicant is not seeking authority to provide switched services. Please see Attachment "E".				
(A-14) Is Applicant willing to post a Performance Bond? Please check appropriate box(s).				
For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.				
Yes <u>X</u> No				
If "No", continue to question (A-15).				
For Local Exchange Resellers, a \$25,000 bond will be recommended.				
Yes $\underline{\mathbf{X}}$ No				
If "No", continue to question (A-15).				
For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.				
Yes <u>X</u> No				
If "No", continue to question (A-15).				
For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.				
Yes <u>X</u> No				
If any box in (A-14) is marked "No", continue to question (A-15).				
Note: Amounts are cumulative if the Applicant is applying for more than one type of service.				
· · · · · · · · · · · · · · · · · · ·				

(A-15) If any box in (A-14) is marked "No", provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the Applicant's superior financial position limits any risk to Arizona consumers.

Response: Applicant is not seeking authority to provide switched services. Please see Attachment "E".

Please also see Attachment "B". Applicant's deposit policy is set forth in Section 2.13 commencing at page 26 of Applicant's Tariff No. 1.

In further explanation: Applicant is a wholly-owned subsidiary of AGL Resources Inc., which is a publicly traded company (NYSE – AGL). During the 2008 calendar year, AGL Resources Inc. generated approximately \$2.8 billion in operating revenues and, as of December 31, 2008, AGL Resources Inc. had in excess of \$6.7 billion in assets. Applicant, as an AGL Resources Inc. operating subsidiary, has AGL Resources Inc.'s complete support of its Arizona operations. AGL Resources Inc.'s immense financial capability serves as adequate protection for Applicant's Arizona customers.

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the Applicant is requesting authority to provide service.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until you are advised to do so by the Hearing Division.

Response: Applicant is applying for facilities-based authority. In addition, with respect to resold authority, Applicant is not seeking authority to provide switched services. Please see Attachment "E". Therefore, no affidavits are required to be published or filed until Applicant has been advised to do so by the Hearing Division.

(A-17) Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in Arizona:

X Yes No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells

Response: Applicant has not yet entered into a resale agreement applicable to Arizona. Applicant intends to enter into resale agreements as necessary to provide services in the metropolitan Phoenix area and in other metropolitan areas of Arizona where there is sufficient demand for such services.

(A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in Arizona:

Note: If the Applicant is currently approved to provide telecommunications services that the Applicant intends to provide in Arizona in less than six states, excluding Arizona, list the Public Utility Commission ("PUC") of each state that granted the authorization. For each PUC listed provide the name of the contact person, their phone number, mailing address including zip code, and e-mail address.

#### Response:

Applicant has had applications approved to offer telecommunications services similar to those that the Applicant will or intends to offer in Arizona, in the following states:

(1) Georgia: Georgia Public Service Commission ("GPSC"), Leon Bowles, Director, Telecommunications, 244 Washington Street, SW, Atlanta, Georgia 30334, 404-656-0949, leonb@psc.state.ga.us

(2) Nevada: Public Service Commission of Nevada, Bing Young, Administrative Attorney, 1150 E. William Street, Carson City, Nevada 89701, 775-684-6173, lcm@puc.state.nv.us (3) Missouri: Missouri Public Service Commission, John Van Eschen, Manager, Telecommunications Department. 200 Madison Street. Jefferson City. Missouri 65101. 573-751-5525. iohn.vaneschen@psc.mo.gov (4) North Carolina: North Carolina Utilities Commission, John Garrison, Director, Communications Division, North Carolina Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326, 919-733-2810, John.Garrison@ncmail.net Applicant has not had an application denied to offer telecommunications services similar to those that the Applicant will or intends to offer in Arizona. As described in response to item A-11, prior to Applicant's current certification by the MPSC, which was granted on April 30, 2008, Applicant had been certificated by that commission to offer telecommunications services similar to those that the Applicant will or intends to offer in Arizona. Subsequent to such prior certification, the staff of the MPSC requested the MPSC to find that the certificate issued to AGL Networks, LLC was null and void, since AGL Networks, LLC had not filed a tariff in Missouri and was not providing any telecommunications services in Missouri. AGL Networks, LLC also requested that the MPSC find its certificate null and void. On February 16, 2005, the MPSC issued an Order Finding Certificate Is Null and Void and Directing Staff to Remove Company From Its Record of Certificated Companies. Subsequent to the February 16, 2005 order, Applicant again sought certificate of service authority from the MPSC, which was granted as described in response to item A-11. (A-19) List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in Arizona. Note: If the Applicant currently provides telecommunication services that the Applicant intends to provide in Arizona in six or more states, excluding Arizona, list the states. If the Applicant does not currently provide telecommunications services that the Applicant intends to provide in Arizona in five or less states, list the key personnel employed by the Applicant. Indicate each employee's name, title, position, description of their work experience, and years of service in the telecommunications services industry. Response: Georgia, Missouri, Nevada and North Carolina. Applicant's key personnel are described in Attachment "F". (A-20) List the names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801. Response: None of Applicant's affiliates, as defined in R14-2-801, is an alternative provider of Applicant's services in Arizona. (A-21) Check here if you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision: Decision # 64178 Resold Long Distance Decision # 64178 Resold LEC

Response: Applicant seeks the classification of itself and its services as competitive pursuant to Article 11 of the Commission's rules, so that all telecommunications services to be offered pursuant to the certification to be granted by the Commission in approving this Application, are and will be competitive telecommunications services. In support of Applicant's request: there are alternatives to Applicant's services; Applicant will have to convince customers to purchase its services; Applicant has no ability to

Decision # 64178 Facilities Based Long Distance

Decision # 64178 Facilities Based LEC

adversely affect the local exchange, interexchange, or point-to-point dedicated data service market; and Applicant will have no market power in those local exchange, interexchange, or point-to-point dedicated data service markets where alternative providers of telecommunications services exist. **B. FINANCIAL INFORMATION** (B-1) Indicate if the Applicant has financial statements for the two (2) most recent years. If "No," explain why and give the date on which the Applicant began operations. Response: Include "Attachment D". (B-2)Provide the Applicant's financial information for the two (2) most recent years. 1. A copy of the Applicant's balance sheet. 2. A copy of the Applicant's income statement. 3. A copy of the Applicant's audit report. 4. A copy of the Applicant's retained earnings balance. 5. A copy of all related notes to the financial statements and information. Note: Make sure "most recent years" includes current calendar year or current year reporting period. Response: Please see Attachment "D". Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable. Response: Applicant has significant financial resources of its own, and currently owns and operates a substantial dark fiber network in Chandler, Mesa, Paradise Valley, Phoenix, Scottsdale and Tempe pursuant to franchise and/or license agreements with those municipalities. Additionally, Applicant has the assurance of its parent, AGL Resources Inc., that Applicant will be provided with any additional financial resources necessary to operate on a continuous basis in the State of Arizona. Applicant if necessary will obtain financing directly from AGL Resources Inc. to support Applicant's initiation of services in Arizona, and, if necessary, its procurement of any systems or facilities. Applicant anticipates commencing the provision of service within a reasonable period of time after approval of this Application, and Applicant believes that the revenues that it will derive from its customers will provide adequate financing to support its ongoing operations.

- (B-4) The Applicant must provide the following information.
  - 1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.
  - 2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.
  - 3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.
  - 4. If the projected value of all assets is zero, please specifically state this in your response.
  - 5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

Response: Please see Attachment "G".

C. RESO	LD AND/OR	FACILITIES-E	ASE	D LOCAL	EXCHANGE	TELECOMMUNICA	ATIONS
SERVICES							
(C-1) Indi	icate if the Appli	cant has a resale a	greer	nent in opera	ation,		
	Yes			<u>X</u>	No		
	Yes", please refe ision Number.	rence the resale a	green	nent by Com	mission Docket N	Number or Commission	
Response:							
D. DAGII	IMIEC DACED	LONG DISTAL	IOF.	AND/OD	EACH TRIES D	ACED LOCAL EVO	HANCE
	THES-BASED MUNICATION		NCE	AND/OK	FACILITIES B	ASED LOCAL EXCI	NANGE
AND/OR fac	cilities-based loca	cant is currently sall exchange telecomphic expansion of	mmu	inications se	ased long distance rvices in Arizona	e telecommunications se This item applies to ar	rvices
	Yes		X	No			
If"	Yes," provide the	following inform	ation	n:			
1.						ies-based long distance ge telecommunications	services
2.						ns services AND/OR fa at sells in Arizona.	cilities-
						based long distance inications services in Ai	rizona.

Response: Applicant does not intend to provide switched services, including "local exchange service" as that term is defined by Commission Rule R14-2-1102. Applicant intends to provide only various non-

switched services, as described in Attachment "E". Applicant anticipates commencing the provision of service within a reasonable period of time after approval of this Application.				
E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES				
(E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59421:				
X Yes No				
Response: Applicant will abide by the quality of service standards that were approved by the Commission in Decision Number 59421 to the extent they are applicable to non-switched competitive services. However, Applicant has been unable to find any Commission decisions applying the standards approved in Decision Number 59421 to providers of only competitive non-switched services. Applicant does not have a history of service quality problems, and therefore the penalty provisions set forth by that Decision would not appear to apply in any event.				
(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:				
Yes <u>X</u> No				
Response: Applicant is not seeking authority to provide switched or voice services of any kind. Applicant intends to provide only non-switched services, as described in Attachment "E", and, as such, is not required by federal or state law to provide 911 and E911 service.				
(E-3) Indicate that the Applicant's switch is "fully equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-1111 (A):				
Yes <u>X</u> No				
Response: Applicant is not seeking authority to provide switched services, and will not deploy any switch.  Please see Attachment "E".				

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county, and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

AGL NETWORKS, LLC	
James A. Gillis President and Manager	
6/19/09	
Date	

SUBSCRIBED AND SWORN to before me this 19th day of June, 3009

NOTARY PUBLIC

My Commission Expires

Khalilah Henderson
Notary Public Cobb County, Georgia
My Commission Expires December 6, 2011

# ATTACHMENT "A"

- 1. Applicant's Certificate of Good Standing is attached hereto.
- 2. Applicant is a limited liability company, and is a wholly-owned subsidiary of AGL Resources Inc. The managers of AGL Networks, LLC are as described in Attachment "F".
- 3. Applicant is a wholly-owned subsidiary of AGL Resources Inc.





# STATE OF ARIZONA



# Office of the CORPORATION COMMISSION

# CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Michael P. Kearns, Interim Executive Director of the Arizona Corporation Commission, do hereby certify that

# \*\*\*AGL NETWORKS, LLC\*\*\*

a foreign limited liability company organized under the laws of the jurisdiction of Delaware did obtain a Certificate of Registration in Arizona on the 30th day of April 2002.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said limited liability company has not had its Certificate of Registration revoked for failure to comply with the provisions of A.R.S. section 29-601 et seq., the Arizona Limited Liability Company Act; and that the said limited liability company has not filed a Certificate of Cancellation as of the date of this certificate.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 3rd Day of

Interim Executive Director

By:

March,

fly a Barly

#### **ATTACHMENT "B"**

Applicant's proposed tariff is attached hereto.

B.1	Proposed Rates and Charge	s for each service offered	(reference by Tariff page number).
-----	---------------------------	----------------------------	------------------------------------

Metro Ethernet Virtual Private Line Service Rates	Page 47
Link Connectible Transport Service Basic Channel Systems Rates	Pages 59 - 61
LCT Service Internodal or Interoffice Channels Rates	Pages 62 - 66
Dark Fiber Leasing Rates	Page 69

B.2 Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).

Metro Ethernet Virtual Private Line Service Rates	Page 47
Link Connectible Transport Service Basic Channel Systems Rates	Pages 59 - 61
LCT Service Internodal or Interoffice Channels Rates	Pages 62 - 66
Dark Fiber Leasing Rates	Page 69

B.3 Terms and Conditions Applicable to provision of Service (reference by Tariff page number).

Metro Ethernet Virtual Private Line Service	Pages 41 - 47
Link Connectible Transport Service	Pages 48 - 58
Dark Fiber Leasing	Pages 68 - 70

B.4 Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).

Deposits	<b>Pages 26 - 27</b>
Advance Payments	Page 26

B.5 The proposed fee that will be charged for returned checks (reference by Tariff page number).

Returned Check Charge Page 30

# AGL NETWORKS, LLC

# TARIFF APPLICABLE TO SERVICES AND FACILITIES PROVIDED WITHIN THE STATE OF ARIZONA

This Tariff applies to services and facilities furnished by AGL Networks, LLC in the State of Arizona. This Tariff is on file with the Arizona Corporation Commission and copies may be inspected during Normal Business Hours, as defined herein, at the principal offices of AGL Networks, LLC, Ten Peachtree Place, Atlanta, Georgia 30309.

Issued:	Effective:

# CONTACT INFORMATION FOR INQUIRIES BY THE PUBLIC REGARDING RATES AND OTHER INFORMATION

The public may contact the person below for information regarding rates and other information:

W. Andy Harrison Managing Director of Business Operations AGL Networks, LLC Ten Peachtree Place Suite 1000 Atlanta, Georgia 30309 Telephone: 404-584-4917

Email: wharris@aglresources.com

Issued: Effective: \_\_\_\_\_

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Issued: Effective:

# **SYMBOLS**

The following are the only symbols used for the purposes indicated below:

- (D) Delete or Discontinue
- (I) Change Resulting in an Increase
- (M) Moved from Another Tariff Location
- (N) New
- (R) Change Resulting in a Reduction
- (T) Change in Text or Regulation but no Change in Rate or Charge

T 1		Troca adiasas	
Issued:		Effective:	
155404.			

# **TARIFF FORMAT**

- A. Sheet Numbering Page numbers appear in the upper right corner of the sheet. Pages are numbered sequentially. However, new pages are occasionally added to the Tariff. When a new page is added between existing pages with whole numbers, a decimal is added. For example, a new page added between pages 14 and 15 would be page 14.1.
- B. Sheet Revision Numbering Revision numbers also appear in the upper right corner of the page. These numbers are used to determine the most current page version on file with the Arizona Corporation Commission. For example, 4th Revised Page 14 cancels the 3rd Revised Page 14.
- C. Paragraph Numbering Sequence There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

2 2.1 2.1.1 2.1.1.(A) 2.1.1.(A).(1) 2.1.1.(A).(1).a. 2.1.1.(A).(1).a.I 2.1.1.(A).(1).a.I.(i) 2.1.1.(A).(1).a.I.(i).(1)

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# **APPLICATION OF TARIFF**

This Tariff sets forth the offerings, rates and terms and conditions of services applicable to the furnishing of Non-Switched Telecommunications Services and Dark Fiber Services, as defined herein, provided by AGL Networks, LLC to Customers within the State of Arizona.

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#### 1. <u>DEFINITIONS AND ABBREVIATIONS</u>

#### 1.1 DEFINITIONS

Certain terms used generally throughout this Tariff are described below.

#### Advance Payment

Part or all of a payment required before the start of Service.

# **Attaching Party**

A provider of telecommunication services or of a cable television system, or such other party as may be authorized by law to provide communication services that installs facilities in Conduit provided by the Company.

#### **Attachment**

Any cable, equipment, facilities, apparatus or appurtenances, used or useful in communication networks or in a cable television system, installed in or attached to Duct Structure.

#### Authorized User(s) or User(s)

A person, firm or corporation which is authorized by the Customer to be connected to the Service provided by the Company to the Customer.

#### Cable

The bundle of fiber optic strands contained in a cable sheath (including Dark Fibers), and any other communications transmission media which may be included in the Network and associated splicing connections and splice boxes located in the Network.

# Company or AGL

AGL Networks, LLC, the issuer of this Tariff.

#### Commission

The Arizona Corporation Commission.

# Company Optical Fiber Termination Point, Central Office or "CO"

Any Company owned, controlled or designated node, facility, structure or other connection point located at, on, or connected to a Company fiber optic ring.

#### Conduit

Enclosed reinforced passages capable of supporting communication cables, ducts or conduits, including single ducts, Innerduct and lateral ducts into buildings owned by third parties, and the manholes, handholes, and pull-boxes associated with the passages, ducts or conduit. Conduit does not include such reinforced passages within any buildings owned by third parties.

#### Credit or Credit Allowance

An allowance provided to Customer for Interruption(s) and Performance Failure(s)as set forth in Sections 2.15 and 3.2.1 hereof.

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#### Cross-connect

Fiber jumpers that will be installed by the Company from the fiber optic termination panel to the demarcation point.

#### Customer

The Person which orders service and is responsible for the payment of charges and compliance with the Company's regulations.

# **Customer Contract**

The legally binding written agreement executed by Customer and Company that governs the terms of the provision of Service.

#### Dark Fiber

Strands of fiber optic cable that connect two points within the Company's Network but which strands have not been activated through connection to the electronics that "light" that fiber thereby enabling it to carry communication services.

# Dark Fiber Service

Service in which Dark Fiber is provided to a Customer, including by leasing, renting or granting indefeasible rights to use the same.

#### Disconnect

To render inoperable or to disable circuitry thus preventing outgoing and incoming communications service.

#### **Duct Structure**

Conduit and separate Innerducts.

# End User(s)

Any person or entity that obtains the Company's Services provided under this Tariff, regardless of whether such person or entity is so authorized by the Customer.

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#### Ethernet Services / Metro EVPLS

Communications service consisting of (i) Ethernet Virtual Private Line Service ("EVPLS") which will provide point-to-point connectivity between diverse locations within a metropolitan area with Ethernet based transport, (ii) Ethernet Virtual Private LAN Service ("EVLAN") will provide point to multipoint, or any point to any point connectivity across multiple diverse locations within a metropolitan area with Ethernet based transport, and (iii) Ethernet Internet Access Service ("EIA") will provide a connection with a bandwidth profile from 1Mbps to 1,000 Mbps to the Internet backbone. EIA provides Customer only with access to the Company's backbone network that serves as a transmission conduit through which Customer may connect its data servers to the Internet. The Company does not operate, process or control the information, services, opinions or other content of the Customer's data servers or the information, services, opinions or other content of the Internet; nor does the Company engage in any protocol or information processing or conversion in connection therewith. EVPLS, EVLAN, and EIA are hereinafter referred to as Metro Ethernet Virtual Private Line Service ("Metro EVPLS").

# Exchange

A geographical area for the administration of telecommunications services, established and described by the tariff of a telecommunications company providing local exchange service.

#### Gbps

One thousand million bits per second.

#### Holiday

For the purposes of this Tariff, New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

# Individual Case Basis (ICB)

An arrangement for Services or facilities in which the Regulations, rates and charges are developed based on the specific circumstances of the case.

#### **Innerduct**

A single enclosed raceway for cables placed within a Conduit.

#### **InterLATA**

Refers to service between points within different local access and transportation areas.

#### **IntraLATA**

Refers to service between points within the same local access and transportation area.

#### Interexchange

Refers to service between points in two or more exchanges.

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#### Interruption

The disruption of Service such that the Service becomes totally unusable by Customer; e.g., the End User is unable to transmit or receive any communications due to the failure of a Service or facility furnished by the Company under this Tariff.

#### Mbps

One million bits per second.

#### Network

The Company's facilities, equipment, and services provided under this Tariff.

#### **Normal Business Hours**

The hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding Holidays.

# <u>OC3</u>

Optical Carrier, level 3. A SONET channel capable of transmitting data at 155.52 Mbps.

# OC12

Optical Carrier, level 12. A SONET channel capable of transmitting data at 622.08 Mbps.

# OC48

Optical Carrier, level 48. A SONET channel capable of transmitting data at 2.488 Gbps.

#### OC192

Optical Carrier, level 192. A SONET channel capable of transmitting data at 9.953 Gbps.

# Performance Failure

Any disruption, degradation, or failure of Service, including without limitation any Interruption (but excluding Scheduled Interruptions), any installation failure or delay, or any mistake, delay, omissions, errors or other defects in the Services or in the provision thereof.

#### Person

Any natural person, corporation, partnership, limited liability company, business trust, joint venture, association, company or Governmental Authority.

#### **Premises**

The space occupied by a Customer in a building, in adjoining buildings occupied entirely by that Customer, or on contiguous property occupied by the Customer separated only by a public thoroughfare, a railroad right of way, or a natural barrier.

#### Rates or Charges

Money, fees or other assessments billed to Customers for Services or facilities.

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#### Regulation(s)

Any and all law(s), rule(s), regulation(s) (including without limitation those set forth in this Tariff), order(s), policy or policies, ruling(s), judgment(s), decree(s) or other determination(s) which are made by the Commission or any other Governmental Authority or which arise under any federal, state, or local statute, utility code, or ordinance, and which are applicable to the Services or to any provision of this Tariff.

#### Scheduled Interruption

"Scheduled Interruption" means an Interruption which has been scheduled by the Company in advance for maintenance, testing, or other administrative purposes.

#### Service or Services

(i) Telecommunications Services provided by the Company pursuant to this Tariff, consisting of one-way and/or two-way transmission paths for the delivery of electronic or photonic signals; (ii) the provision of Dark Fiber Services by the Company pursuant to this Tariff, (iii) the provision of Metro EVPLS pursuant to this Tariff or (iv)) the provision of other one-way and/or two-way transmission paths for the delivery of electronic or photonic signals between two (2) or more points. "Service" and "Services" are used interchangeably herein, and may be provided via the Company's facilities or via services provided by an Underlying Carrier or other entities and resold by the Company, which shall be considered Services provided or furnished by the Company.

#### Service Commencement Date

The first date on which the Company notifies the Customer that the requested Service or facility is available for use, unless extended by the Customer's refusal to accept Service which does not conform to standards set forth in the Service Order or this Tariff, in which case the Service Commencement Date is the date of the Customer's acceptance. The Company and the Customer may mutually agree on a substitute Service Commencement Date. If the Company does not have an executed Service Order from a Customer, the Service Commencement Date will be the first date on which the Service or facility was used by a Customer.

# Service Order

The written request for Services executed by the Customer and the Company in the format devised by the Company.

## Shared

A facility or equipment system or subsystem that can be used simultaneously by several Customers.

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#### **Tariff**

This AGL Networks, LLC Arizona Corporation Commission Tariff No. 1.

#### **Telecommunications Company**

A public service corporation, as defined in the Arizona Constitution, Article 15, § 2, that provides telecommunications services within the state of Arizona and over which the Commission has jurisdiction.

#### Telecommunications Service

Any transmission of interactive switched and non-switched signs, signals, writing, images, sounds, messages, data, or other information of any nature by wire, radio, lightwave, or any other electromagnetic means (including access services), which originate and terminate in this state and are offered to or for the public, or some portion thereof, for compensation.

#### Terminal Equipment

Customer supplied telephone instruments, including pay telephone equipment, the common equipment of large and small key and PBX systems and other devices and apparatus, and associated wiring, which are intended to be connected electrically, acoustically, or inductively to the Network.

#### **Underlying Carrier**

Any interexchange or local exchange carrier that provides services resold by the Company under this Tariff.

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#### 2. RULES AND REGULATIONS

#### 2.1 <u>Undertaking of the Company</u>

#### 2.1.1 Scope

The Company undertakes to exercise its commercially reasonable efforts to install, operate, maintain and furnish Services to Customers in accordance with the terms and conditions set forth in this Tariff.

# 2.1.2 Terms and Conditions

- (A) Services may be used by Customer, Authorized Users and End Users for any lawful purpose, subject to the terms and conditions set forth herein and in any applicable Service Order. Service is provided on the basis of a minimum period of at least one (1) month, twenty-four (24) hours per day. For the purpose of computing charges in this Tariff, a month is considered to have thirty (30) days.
- (B) A Customer may be required to enter into a Service Order and/or an ICB which contains or references a description of the Services ordered, the Rates, the duration of the Services, and other terms and conditions. A Customer may also be required to execute any other documents as may be reasonably requested by the Company. In the event of a conflict or inconsistency between the terms of a Service Order or ICB, and the terms otherwise set forth in this Tariff, the terms of the Tariff shall govern. In the event of a conflict or inconsistency between the terms of a Service Order or ICB, the terms and conditions of the ICB shall govern.
- (C) When authorized by the Customer, the Company may act as the Customer's agent for ordering facilities or services provided by other carriers or entities to allow connection of a Customer's location to the Network. The Customer shall be responsible for all Charges due for such service arrangements.
- (D) Should any provision or portion of this Tariff be held by a court or administrative agency of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions of this Tariff will remain in full force and effect.
- (E) Customer shall cooperate with the Company to the extent necessary for the Company to discharge its obligations hereunder and as reasonably requested by the Company.
- (F) The non-ICB rates and charges set forth in this Tariff are reasonable, and constitute the maximum and the initially offered rates and charges for Services that will apply in the absence of ICB arrangements.
- (G) This Tariff shall be interpreted and governed by the laws of the State of Arizona regardless of its choice of laws provision.

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# 2.2 <u>Limitations of Service</u>

- 2.2.1 Service is offered subject to the availability of Conduit, Innerduct, Dark Fiber, Network, Ethernet equipment, optical equipment and other Company facilities and equipment, and the provisions of this Tariff. The Company may limit communications, refuse to provide Services or discontinue Services when necessary because of the lack of transmission medium, transmission capacity or any other facilities or equipment, the lack of available services from or interconnection with the services or facilities of other service providers, when the Service is being used in violation of the law or the provisions of or otherwise authorized by this Tariff, or because of any causes beyond the Company's control.
- 2.2.2 Service shall not be used in such a manner as to interfere unreasonably with the use of service by any other Users. The Company may require applicants for Services to confirm that their use of Services complies with relevant laws, regulations, governmental approvals, authorizations, licenses, consents, orders and permits. The Company may require a Customer to immediately discontinue its transmission if such transmission is causing interference to others.
- 2.2.3 The Customer is responsible for payment of all Charges for Services provided under this Tariff furnished to the Customer, Authorized Users or End Users. This responsibility is not changed due to any use, misuse, or abuse of the Service or Customer-provided equipment by Users or other third parties, the Customer's employees, or the public.
- 2.2.4 The Customer is liable for all costs incurred as a result of unauthorized use of the Company's Services, Network or facilities, including service charges, any direct, indirect, special, incidental, reliance, consequential, exemplary, or punitive damages, and any charges related to the suspension and/or termination of service, and any charges for reconnection of Service, incurred as a result of unauthorized use of the Network.
- 2.2.5 The use of Services without payment, or attempting to avoid payment for Service by fraudulent means or devices, false or invalid numbers, or false calling or credit cards, is prohibited.
- 2.2.6 Services may be denied for nonpayment of Charges or for other violations of the terms and conditions set forth in this Tariff.
- 2.2.7 The use of Services to make Calls which might reasonably be expected to frighten, abuse, torment, or harass another is prohibited.
- 2.2.8 Service is subject to transmission limitations caused by natural (including atmospheric, geographic or topographic) or artificial conditions adversely affecting transmission.
- 2.2.9 Service may be temporarily interrupted or curtailed due to equipment modifications, upgrades, relocations, repairs and similar activities necessary for proper or improved operations.

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# 2.2 <u>Limitations of Service</u> (cont'd.)

2.2.10 A Customer or Authorized User may not assign or transfer the Service or any rights associated therewith without the express written consent of the Company.

#### 2.3 Limitations on Liability

- 2.3.1 Except as otherwise stated in this Section, the liability of the Company with respect to any action, claim, judgment, damages, demand or expense (including without limitation reasonable attorney's fees) (1) brought or incurred by any Customer or by any other party in connection with the installation, provision, preemption, termination, maintenance, repair or restoration of Service; or (2) arising from any Performance Failure, whether caused by acts or omission, shall be limited to the extension of Credits or Credit Allowances to the Customer for Interruptions in Service as set forth in this Tariff.
- 2.3.2 To the extent permitted by any applicable Regulation, the Company's liability for negligence will also be limited to the amounts described in Section 2.3.1 hereof.
- 2.3.3 To the extent permitted by any applicable Regulation, the Company's liability for gross negligence will also be limited to the amounts described in Section 2.3.1 hereof.
- 2.3.4 In no event will the Company be liable to a Customer or to any third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits (even if the Company has been advised of the possibility of such loss), for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, Interruption, failure to provide any service or any failure in or breakdown of facilities associated with the Service.
- 2.3.5 Except for the issuance of Credits or Credit Allowances to the Customer for Interruptions or Performance Failures as set forth in this Tariff, the liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a Credit equal to the dollar amount erroneously billed or, in the event that payment has been made and Service has been discontinued, to a refund of the amount erroneously billed.
- 2.3.6 Except as caused by its willful misconduct, the Company will not be liable for defacement of or damages to Customer's Premises or for any personal injury or death arising, directly or indirectly, from the furnishing of Services, including without limitation the installation or removal of any facilities, equipment or wiring associated therewith. Customer is solely responsible for connecting any and all apparatus, equipment and associated wiring on Customer's Premises to the Services, and no other carrier or third party engaged in such activity shall be deemed to be an agent or employee of the Company.

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# 2.3 <u>Limitations on Liability</u> (cont'd)

- 2.3.7 The Company shall not be liable for any claims for loss or damages involving:
  - (A) Any act or omission of: (1) the Customer; (2) any other entity furnishing service, equipment or facilities for use in conjunction with Services or facilities provided by the Company; or (3) common carriers or warehousemen;
  - (B) Any delay or failure of performance or equipment due to causes beyond the Company's control, including but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; national emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, work stoppages or other labor difficulties; criminal actions taken against the Company; unavailability, failure or malfunction of equipment, services or facilities provided by the Customer, other service providers or other third parties; and any law, order, regulation or other action of any governing authority or agency thereof;
  - (C) Any unlawful or unauthorized use of the Company's facilities and Services;
  - (D) Libel, slander, indecency, obscenity, invasion of privacy, or infringement of patents, trade secrets, copyrights, or other intellectual property rights of any third party, arising from or in connection with the transmission of communications by means of Company-provided facilities or services; or by means of the combination of Company-provided facilities or services with Customer-provided facilities or services;
  - (E) Breach in the privacy or security of communications transmitted over the Company's facilities or using the Company's Services;
  - (F) Changes in any of the facilities, operations or procedures of the Company that render any equipment, facilities or services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or services, or otherwise affect their use or performance, except where reasonable notice is required by the Company and is not provided to the Customer, in which event the Company's liability is limited as set forth in this Tariff.
  - (G) Defacement of or damage to Customer Premises resulting from the furnishing of Services or equipment on such Premises or the installation or removal thereof:

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# 2.3 <u>Limitations on Liability</u> (cont'd)

- (H) Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to the Company's facilities or Services:
- (I) Any intentional or wrongful act of a Company employee when such act is not within the scope of the employee's responsibilities for the Company and/or is not authorized by the Company; or
- (J) Any representations made by Company employees that do not comport, or that are inconsistent, with the provisions of this Tariff.
- 2.3.8 Any action or claim against the Company arising from any of its alleged acts or omissions in connection with this Tariff will be deemed waived if not brought or made in writing within sixty (60) days from the date that the alleged act or omission occurred.
- 2.3.9 The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere. The Company shall be indemnified, defended and held harmless by the Customer from and against any and all claims, loss, demands, suits, or other action, or any liability whatsoever, including attorney's fees, whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage, or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use, or removal of any equipment or facilities or the service.
- 2.3.10 Because the Company does not undertake to provide switched services, but offers the use of its Service when available, and has no control of the communications content transmitted over its system, and because of the possibility of errors incident to the provision and use of Service, the Company shall not be liable for failure to establish or maintain connections.
- 2.3.11 The Company is not liable to Customer or Users for Interruptions or delays in transmission, or errors or defects in transmission, or failure to transmit when caused by or as a result of acts of God, fire, flood, earthquakes, wind or other catastrophes, war, riots, national emergencies, government or military authorities, strikes, lockouts, work stoppages or other labor difficulties, or causes beyond the Company's control, except as set forth in this Section and allowances for Interruptions set forth in this Tariff.

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# 2.3 <u>Limitations on Liability</u> (cont'd)

- 2.3.12 The Company assumes no responsibility for the availability or performance of any cable, satellite systems or other facilities or services under the control of other entities that are used to provide Service to Customer, even if the Company has acted as the Customer's agent in arranging for such facilities or services. The Company shall have no liability associated with the installation, operation or maintenance of facilities, equipment or services of the Customer, Authorized User or third parties. The responsibility of the Company shall be limited to the furnishing of Services under this Tariff and to the maintenance and operation of such Services as set forth herein. Subject to this responsibility, the Company shall not be responsible for: (1) the through transmission of signals generated by Customer-provided equipment or for the quality of, or defects in, such transmission; (2) the reception of signals by Customer-provided equipment; or (3) network control signaling where such signaling is performed by Customer-provided network control signaling equipment.
- 2.3.13 The Customer shall reimburse the Company for all costs, expenses and fees (including reasonable attorneys' fees and costs) incurred by the Company in its defense against Claims set forth in Section 2.3.9.
- 2.3.14 Any liability of the Company for loss or damages arising out of mistakes, omissions, interruptions, delays, errors or defects in Service, the transmission of Service, or of any entity furnishing service, equipment or facilities for use in conjunction with Services or facilities provided by the Company, or any misrepresentations regarding Service, or failures or defects in facilities or Services furnished by the Company, occurring in the course of furnishing Service shall in no event exceed an amount equivalent to the proportionate monthly charge to the Customer for Service, during the period of time in which such mistakes, omissions, interruptions, delays, errors or defects in Service, its transmission or failure or defect in facilities or Services furnished by the Company occurred.
- 2.3.15 EXCEPT AS EXPRESSLY SET FORTH IN THIS TARIFF, THE COMPANY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE FOR OR IN CONNECTION WITH THE PROVISION OF SERVICES HEREUNDER.

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# 2.4 Testing and Adjusting

Upon no less than twenty four (24) hours advance notice, the Company may Schedule Interruptions to make such tests, adjustments, and inspections as may be necessary to maintain the Company's facilities in satisfactory operating condition. No Credits or Credit Allowances will be provided to the Customer for a Scheduled Interruption.

# 2.5 Provision of Equipment and Facilities

- 2.5.1 Except as otherwise indicated, Customer-provided equipment at the Customer's premises or elsewhere for use in conjunction with Service shall be so constructed, maintained, and operated as to work satisfactorily with the facilities of the Company.
- 2.5.2 The Company shall not be responsible for the installation, operation, or maintenance of any Customer-provided communications equipment or other CPE. Where such equipment or CPE is connected to Service furnished pursuant to this Tariff, the responsibility of the Company shall be limited to the furnishing of Services under this Tariff and to the maintenance and operation of such Services in the proper manner. The Company shall not be responsible for:
  - (A) The through transmission of signals generated by Customer-provided equipment or for the quality of, or defects in, such transmission; or
  - (B) The reception of signals by Customer-provided equipment; or
  - (C) Network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

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# 2.6 Special Construction

- 2.6.1 Subject to the agreement of the Company and to all of the Regulations, special construction of facilities may be undertaken on an ICB basis at the request of the Customer. Special construction is that construction undertaken:
  - (A) Where facilities are not presently available, and there is no other requirement for the facilities so constructed;
  - (B) Of a type other than that which the Company would normally utilize in the furnishing of its Services;
  - (C) Over a route other than that which the Company would normally utilize in the furnishing of its Services;
  - (D) In a quantity greater than that which the Company would normally construct;
  - (E) On an expedited basis;
  - (F) On a temporary basis until permanent facilities are available;
  - (G) Involving abnormal costs; or
  - (H) In advance of its normal construction planned by the Company.

Special construction charges will be determined pursuant to Section 3.4.

# 2.7 Ownership of Facilities

Title to all facilities provided in accordance with this Tariff remains in the Company, its agents, contractors, or suppliers.

#### 2.8 Indemnification by Customer

The Customer shall defend, indemnify, and hold the Company and its employees, directors, subcontractors, and agents (collectively "Indemnitees") harmless from and against any and all actions, claims, judgments, damages, demands, liabilities, costs and expenses, (including without limitation reasonable attorney's fees (collectively "Claims"), whether made, suffered, instituted, or asserted by Customer or any other Person for:

(A) Injury to or death of any person or persons (including injury to or death of their employees);

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#### 2.8 <u>Indemnification by Customer</u> (cont'd)

- (B) Any loss of or damage to or destruction of tangible real or tangible personal property or to the environment, to the extent that such injury, death, loss or damage was caused by any act or omission on the part of Customer, any Authorized User or any End User or their respective agents, employees, subcontractors or assignees, in connection with use of the Services;
- (C) The Company must notify the Customer promptly of written Claims or demands for which the Customer is responsible hereunder, except where failure to do so will not prejudice Customer's obligation under this Section 2.8. The Company and the Customer, shall cooperate fully with the other in the course of such indemnification, and the Customer shall control such defense and the right to litigate, settle, appeal (provided it pays the cost of any required appeal bond), compromise or otherwise deal with any such claim or resulting judgment, provided that such settlement, compromise or other resolution of said Claim does not result in any liability to any Indemnitee;
- (D) Libel or slander or invasion of privacy resulting from Customer's use of the Services;
- (E) Infringement of any patent, copyright, trademark, trade name or trade secret or other intellectual property right of any third party arising from: (1) the transmission of any material transmitted (a) by any Customer or (b) by any other Person using the Services provided to any Customer or Customer location; or (2) from the combination of Customer's use of Services with CPE or with other Customer-provided facilities or services;
- (F) The transmission of any indecent, obscene, or otherwise unlawful content by the user of the Services; or
- (G) Except as otherwise provided by applicable Regulation, any unauthorized, unlawful, or fraudulent use of or access to the Services provided to Customers.

# 2.9 Prohibited Uses

- 2.9.1 The Services the Company offers shall not be used for any unlawful purpose or for any use for which the Customer has not obtained all required governmental approvals, authorization, licenses, consents, and permits.
- 2.9.2 The Company may require applicants for Service who intend to use the Company's offering for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offering complies with relevant laws and regulations, policies, orders, and decisions.

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## 2.9 Prohibited Uses (cont'd)

- 2.9.3 The Company may immediately shut down the Service provided to any Authorized User if the use thereof is causing interference to others. The Company shall exercise reasonable commercial efforts to restore such services once the Interruption has ceased.
- 2.9.4 A Customer, joint user, or Authorized User may not assign, or transfer in any manner, the Service or any rights associated with the Service without the written consent of the Company.

## 2.10 Obligations of the Customer

#### 2.10.1 Customer Premises Provisions

- (A) The Customer is responsible for placing any necessary orders, complying with this Tariff, ensuring that Users comply with this Tariff's regulations, and payment of Charges for Service originated at the Premises or otherwise by or through Customer's equipment, including by any remote access, by any person. The Customer shall ensure compliance with any applicable laws, regulations, orders or other requirements of any governmental entity relating to Services provided by the Company to the Customer or made available by the Customer to another User.
- (B) Customer or User-provided equipment at the Premises or elsewhere for use in conjunction with Services shall be so constructed, maintained, and operated as to be compatible with and work satisfactorily with the facilities and Services of the Company. Such equipment shall be provided by and maintained at the expense of the Customer, Authorized User, or joint user, and as authorized by the Company. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or to other Persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.
- (C) The Customer shall provide the personnel, power, and space required to operate all facilities and associated equipment installed on the premises of the Customer. Facilities and Services furnished under this Tariff may be connected to Customer-provided terminal equipment in accordance with the provisions of this Tariff. Customer provided terminating equipment such as multiplexers and other terminating equipment may, at the Customer's request, be provided by the Customer, at the Customer's expense. The Company makes no guarantees or warranties as to the performance of Customer-provided equipment.

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## 2.10.1 Customer Premises Provisions (cont'd)

- (D) In order to protect the Company's facilities and personnel and the Services furnished to other Customers by the Company from potentially harmful effects, the signals applied to Services shall be such as not to cause damage to the facilities of the Company. Any special interface equipment necessary to achieve the compatibility between facilities of the Company and the channels or facilities of others shall be provided at the Customer's expense.
- (E) If the protective requirements in connections with Customer-provided equipment are not being complied with, the Company may take such action as necessary to protect its facilities and personnel and will promptly notify the Customer of the need for protective action. In the event that the Customer fails to advise the Company within ten (10) days after such notice is received or within the time specified in the notice that corrective action has been taken, the Company may take whatever additional action is deemed necessary, including canceling Service, to protect its facilities and personnel from harm. The Company will upon request twenty-four (24) hours in advance provide Customer with a statement of technical parameters that the Customer's equipment must meet.
- (F) Customer shall cooperate with the Company to the extent necessary for the Company to discharge its obligations hereunder and as reasonably requested by the Company. The Customer is responsible for arranging access to its Premises at times mutually agreeable to the Company and the Customer when required for Company personnel to install, repair, maintain, program, inspect or remove equipment associated with the provision of the Company's services. The Company may, upon notification to the Customer, make such tests and inspections as may be necessary to determine that the requirements regarding the equipment and interconnections are being complied with in respect to the installation, operation and maintenance of Customer-provided equipment and in the wiring of the connection of Customer channels to Company-owned facilities. The Customer shall be responsible for providing Company personnel access to Premises at any reasonable hour for the purpose of testing, maintaining or repairing the facilities or equipment of the Company and to make such tests, adjustments and inspections as may be necessary to maintain the Company's facilities in satisfactory operating condition.

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#### 2.11 Liability of the Customer

- 2.11.1 The Customer will be liable for damages to the facilities of the Company and for all incidental and consequential damages caused by the negligent or intentional acts or omissions of the Customer, its officers, employees, agents, invitees, or contractors where such acts or omissions are not caused by the Company's negligence or intentional misconduct.
- 2.11.2 To the extent caused by any negligent or intentional act of the Customer as described in Section 2.11.1, preceding, the Customer shall indemnify, defend, and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees, for (1) any loss, destruction, or damage to property of any third party, (2) the death of or injury to persons, including, but not limited to, employees or invitees of either party, and (3) any liability incurred by the Company to any third party pursuant to this or any other tariff of the Company, or otherwise, for any interruption of, interference to, or other defect in any service provided by the Company to such third party.
- 2.11.3 The Customer shall not assert any Claim against any other customer or user of the Company's Services for damages resulting in whole or in part from or arising in connection with the furnishing of Service under this Tariff including but not limited to mistakes, omissions, interruptions, delays, errors, or other defects or misrepresentations, whether or not such other customer or user contributed in any way to the occurrence of the damages, unless such damages were caused solely by the negligent or intentional act or omission of the other customer or user and not by any act or omission of the Company. Nothing in this Tariff is intended either to limit or to expand Customer's right to assert any claims against third parties for damages of any nature other than those described in the preceding sentence.

#### 2.12 Customer Equipment and Channels

#### 2.12.1 Interconnection of Facilities

#### (A) <u>Customer Provided Equipment</u>

Customer provided terminating equipment such as CSUs, multiplexers, and other terminating equipment may, at the Customer's request, be provided by the Company, at the Customer's expense. Company makes no guarantees or warranties as to the performance of Customer provided equipment.

(B) In order to protect the Company's facilities and personnel and the Services furnished to other Customers by the Company from potentially harmful effects, the signals applied to the Company's Service shall be such as not to cause damage to the facilities of the Company. Any special interface equipment necessary to achieve the compatibility between facilities of the Company and the channels or facilities of others shall be provided at the Customer's expense.

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## 2.12.1 Interconnection of Facilities (cont'd)

(C) The Customer or other Authorized User is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities, and the Services provided by the Company. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

#### 2.12.2 Inspections

- (A) The Company may, upon notification to the Customer, at a reasonable time, make such tests and inspections as may be necessary to determine that the requirements regarding the equipment and interconnections are being complied with in respect to the installation, operation and maintenance of Customer-provided equipment and in the wiring of the connection of Customer channels to Company-owned facilities.
- (B) If the protective requirements in connection with Customer provided equipment are not being complied with, the Company may take such action as necessary to protect its facilities and personnel and will promptly notify the Customer by registered mail in writing of the need for protective action. In the event that the Customer fails to advise the Company within ten (10) days after such notice is received or within the time specified in the notice that corrective action has been taken, the Company may take whatever additional action is deemed necessary, including canceling service, to protect its facilities and personnel from harm. The Company will upon request twenty-four (24) hours in advance provide Customer with a statement of technical parameters that the Customer's equipment must meet.

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## 2.13 Customer Deposits and Advance Payments

## 2.13.1 Advance Payments

To safeguard its interests, the Company may require a Customer to make an Advance Payment before Services and facilities are furnished. Except as provided in Section 3.4 hereof, the Advance Payment will not exceed an amount up to two (2) months of estimated monthly usage charges. In addition, where special construction is involved, the Advance Payment may also include an amount equal to the estimated nonrecurring charges for the special construction and recurring charges (if any) for a period to be set between the Company and the Customer. The Advance Payment will first be credited to the Customer's initial bill. An Advance Payment may be required in addition to a deposit. The sum of the advanced payment (exclusive of special construction) and deposit will not exceed 2.5 times of a Customer's estimated monthly charges.

#### 2.13.2 Deposits

- (A) To safeguard its interests, the Company may require the Customer to make a deposit to be held as a guarantee for the payment of charges. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to:
  - (1) Two and a half (2½) months' charges for a service or facility which has a minimum payment period of one (1) month;
  - (2) The charges that would apply for the minimum payment period for a Service or facility which has a minimum payment period of more than one (1) month; except that the deposit may include an additional amount in the event that a Termination Charge is applicable; or
  - (3) Such other amounts as the Commission may prescribe.
- (B) A deposit may be required in addition to an Advance Payment. The sum of the advanced payment (exclusive of special construction) and deposit will not exceed two and a half (2½) times of a Customer's estimated monthly charges.
- (C) When a Service or facility is discontinued, the amount of a deposit, if any, will be applied to the Customer's account and any credit balance remaining will be refunded. Before the service or facility is discontinued, the Company may, at its option, return the deposit or credit it to the Customer's account. If the amount of the deposit is insufficient to cover the balance due to the Customer's account, the Company retains the right to collect any amounts owing after the deposit has been applied plus any costs related to the collection of any remaining balance.

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## 2.13.2 Deposits (cont'd)

(D) When a Service or facility is discontinued, the amount of a deposit, if any, will be applied to the Customer's account and any credit balance remaining will be refunded. Before the Service or facility is discontinued, the Company may, at its option, return the deposit or credit it to the Customer's account. If the amount of the deposit is insufficient to cover the balance due to the Customer's account, the Company retains the right to collect any amounts owing after the deposit has been applied plus any costs related to the collection of any remaining balance.

#### 2.13.3 Credit

Company may require Customer to provide information pertaining to its financial ability to pay for service. Company may deny Service to Customers who do not provide the requested information or who fail to meet Company's financial criteria, unless the Customer is willing to pay a deposit based on the rules contained in this Tariff. If Service was discontinued for non-payment of charges, the Company may request additional information from the Customer, and reserves the right to collect an Advance Payment and/or deposit, in addition to the unpaid balance due the Company, prior to re-establishing Service.

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#### 2.14 Payment Arrangements

#### 2.14.1 Payment for Service

The Customer is responsible for the payment of all charges for facilities and Services furnished to the Customer or other Users.

## (A) <u>Taxes, Impositions, and Other Governmental Charges</u>

- (1) In addition to charges for the Services, the Customer is also responsible for payment of any sales, use, gross receipts, excise, or other local, state and federal taxes, charges, franchise fees or surcharges or any kind and character (however designated) (excluding taxes on the Company's net income) imposed on or based upon the provision, sale, or use of the Services and facilities. If Customer provides Company with a duly authorized exemption certificate, Company will exempt Customer in accordance with law, effective on the date Company receives the exemption certificate. If Customer does not give Company written notice of a dispute with respect to Company charges or application of taxes within six (6) months of the date of an invoice, such invoice shall be deemed to be correct and binding on Customer.
- (2) Any assessments, franchise fees, access, ingress or egress fees or charges for use of real property, privilege, license, occupation or excise taxes or fees or other similar taxes or fees, whether in lump sum or at a flat rate, or based on receipts, or based on poles, wire or other utility property units, imposed upon Company by any governmental authority may be added pro rata, insofar as practical, in amounts which in the aggregate for the Company's Customers of any political entity shall be equal to the amount of any such tax upon the Company. The Company may, so long as any such tax or fee is in effect, add to the bills of the Customers in such political entity pro rata on the basis of the revenue derived by the Company from each such Customer, an amount sufficient to recover any such tax or fee.
- (3) Unless otherwise specified in this Tariff, any such taxes, charges, assessments, surcharges and fees are in addition to Rates as quoted in the Tariff and are included as separate line items on the Customer's bill.

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## 2.14.1 Payment for Service (cont'd)

- (A) Taxes, Impositions, and Other Governmental Charges (cont'd)
  - (4) Company may adjust its Rates and Charges or impose additional Rates and Charges in order to recover amounts it is required or permitted by governmental or quasi-governmental authorities to collect from or pay to others in support of statutory or regulatory programs ("Governmental Charges"). Examples of such Governmental Charges include, but are not limited to, Universal Service funding.
  - (5) If Customer provides the Company with a duly authorized exemption certificate, the Company will exempt Customer in accordance with law, effective on the date the Company receives the exemption certificate.

## (B) Third Party Charges

(1) Unless otherwise expressly specified in this Tariff, the Rates set forth in this Tariff do not include any charges imposed by third parties.

## 2.14.2 Billing and Collection of Charges

- (A) Nonrecurring charges are due and payable within thirty (30) days after the date of the invoice.
- (B) The Company shall present invoices for recurring charges monthly to the Customer, in advance of the month in which service is provided, and Recurring Charges shall be due and payable within thirty (30) days after the date of the invoice. When billing is based upon Customer usage, usage charges will be billed monthly for the preceding billing period. Payments of all amounts less than \$25,000 by Customer may be made by either wire transfer or by Customer check of immediately available funds payable to the Company. All payments made by Customer in excess of \$25,000 shall be made solely by wire transfer of immediately available funds in accordance with wire instructions provided by the Company.
- (C) When Service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have thirty (30) days.

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## 2.14.2 Billing and Collection of Charges (cont'd)

- (D) Billing of the Customer by the Company will begin on the Service Commencement Date, which is the day on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the Service or facility does not conform to standards set forth in this Tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement, or component is discontinued.
- (E) If any portion of the payment is received by the Company after the date due, or if any portion of the payment is received by the Company in funds which are not immediately available upon presentment, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the date due, multiplied by a late factor. The late factor shall be the lesser of:
  - (1) A rate of one and one half percent  $(1\frac{1}{2}\%)$  per month; or
  - (2) The highest interest rate which may be applied under Arizona state law for commercial transactions.
- (F) The Customer will be assessed a charge, in the amount of the fee(s) assessed the Company by its bank when a check is returned, for each check submitted by the Customer to the Company which a financial institution refuses to honor.
- (G) If Service is disconnected by the Company in accordance with Section 2.14.4 and later reinstalled, Service will be subject to all applicable installation charges. If Service is suspended by the Company and later restored, service will be subject to all applicable restoration charges.

#### 2.14.3 Billing Disputes

### (A) General

All invoices are presumed accurate, final and shall be binding on the Customer unless a valid notice of the disputed charge(s) is received by the Company within ninety (90) days after the date on the invoice. For the purposes of this Section, "valid notice" is defined as Customer's written notice to the Company, containing sufficient documentation to investigate the dispute, including the account number under which the invoice has been rendered, the date of the invoice, and the specific items on the invoice being disputed, and Customer's specific reasons for disputing a charge.

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## 2.14.3 Billing Disputes (cont'd)

# (B) Late Payment Charge

- (1) The undisputed portions of the bill must be paid by the payment due date to avoid assessment of a late payment charge on the undisputed amount as provided in this Tariff.
- (2) In the event that a billing dispute is resolved by the Company in favor of the Customer, any disputed amount withheld pending resolution of the billing dispute shall not be subject to the late payment charge.
- (3) In the event that a billing dispute is resolved in favor of the Company, the Customer shall pay the late payment charge.

#### (C) Adjustments or Refunds to the Customer

- (1) In the event that the Company resolves the billing dispute in favor of a Customer who has withheld payment of the disputed amount pending resolution of the disputed bill, the Company will credit the Customer's account for the disputed amount in the billing period following the resolution of the dispute.
- (2) In the event that the Company resolves the billing dispute in favor of a Customer who has paid the total amount of the disputed bill, the Company will credit the Customer's account for any overpayment by the Customer in the billing period following the resolution of the dispute.
- (3) In the event that the Company resolves the billing dispute in favor of a Customer who has paid the total amount of the disputed bill but canceled the service, the Company will issue a refund of any overpayment by the Customer.
- (4) All adjustments or refunds provided by the Company to the Customer at the Customer's request, or provided by the Company to the Customer by way of compromise of a billing dispute, and which are accepted by the Customer, are final and constitute full satisfaction, settlement, and/or compromise of all of the Customer's claims for the billing period for which the adjustment or refund was issued.

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## 2.14.3 Billing Disputes (cont'd)

(D) Unresolved Billing Disputes

In the case of a billing dispute between the Customer and the Company for Service furnished to the Customer, which cannot be settled to the mutual satisfaction of the Customer and the Company, the Customer has up to ninety (90) days (commencing five (5) days after such bills have been mailed or otherwise rendered per the Company's normal course of business) to take the following course of action.

- (1) First, the Customer may request and the Company will provide an in-depth review of the disputed amount. In requesting the review, the Customer may contact the Company at (866) 245-6246, or by electronic mail to the attention Director of Business Operations at: http://www.aglnetworks.com/ContactUs/Contact-Us.aspx.
- (2) Second, if after investigation and review by the Company, a disagreement remains as to the disputed amount, the Customer may file an appropriate complaint with:

Arizona Corporation Commission 1200 West Washington Street Phoenix, Arizona 85007-2927 http://www.cc.state.az.us/default.asp Phoenix (602) 542-4251 Toll Free 1-800-222-7000 (In-State Only) Tucson (520) 628-6550 Toll Free 1-800-535-0148 (In-State Only

(E) If Customer does not give Company written notice of a dispute with respect to Company's charges or application of taxes within six (6) months of the date of an invoice, such invoice shall be deemed to be correct and binding on Customer.

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## 2.14.4 Discontinuance of Service and Termination of Agreement for Cause

- (A) Upon nonpayment of any amounts owing to the Company more than twenty-nine (29) days from the due date of the bill, the Company may, by giving at least five (5) days prior written notice to the Customer, discontinue, suspend or terminate the affected Service and Service Orders without incurring any liability.
- (B) Upon breach of any of the other Regulations or material terms or conditions of this Tariff or for furnishing Service the Company may, after giving Customer written notice of such breach and Customer's failure to cure such breach within thirty (30) days thereafter, by giving twenty-four (24) hours written notice to the Customer, discontinue, suspend or terminate the affected Service and Service Orders without incurring any liability if such violation continues during that period.
- (C) Upon condemnation of any material portion of the facilities used by the Company to provide Service to a Customer or if a casualty renders all or any material portion of such facilities, the Company, by written notice to the Customer, may immediately discontinue or suspend the affected Service without incurring any liability.
- (D) Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Company may immediately discontinue or suspend Service without incurring any liability.
- (E) Upon any governmental prohibition or required alteration of the Services to be provided, or any violation by Customer of an applicable law or regulation, the Company may immediately discontinue Service without incurring any liability.
- (F) In the event of fraudulent or unauthorized use of the Company's network or the Services, the Company may without notice discontinue, suspend or terminate the affected Service and Service Orders. The Customer will be liable for all related costs. The Customer will also be responsible for payment of any reconnection charges.
- (G) Upon the Company's discontinuance of Service to the Customer under this Section, the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this Tariff, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such Services would have otherwise been provided to the Customer to be immediately due and payable (discounted to present value at six percent (6%)).

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## 2.14.5 Customer Overpayment

The Company will pay interest on a Customer overpayment. Customer overpayment shall mean a payment to the Company in excess of the correct charges for Service when caused by erroneous billing by the Company. The rate of interest shall be the unadjusted interest rate paid on Customer deposits or the late payment penalty rate, whichever is greater. Interest shall be paid from the date when the Customer overpayment was made, adjusted for any changes in the deposit interest rate or late payment penalty rate, and compounded monthly, until the date when the overpayment is refunded. No interest shall be paid on Customer overpayments that are refunded within thirty (30) days after such overpayment is received by the Company.

## 2.14.6 <u>Cancellation of Application for Service</u>

- (A) The Customer may cancel an application for service prior to installation of the equipment provided that the Customer immediately pay the Company any out of pocket expenses incurred by the Company plus a cancellation fee of two (2) times the applicable monthly recurring service charge.
- (B) Out of pocket expenses include but are not limited to the cost of the equipment, facilities, services and material, the cost of installation, engineering, labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.

#### 2.15 Allowances for Interruptions in Service

#### 2.15.1 General

- (A) If the Customer reports any Service, facility, or circuit to be interrupted but declines to release it for testing and repair, the Service, facility or circuit is considered to be impaired but not interrupted. No Credit Allowances will be made for a Service, facility, or circuit considered by the Company to be impaired.
- (B) A Credit Allowance will be given when there is an Interruption of Service or Performance Failure, except as specified below.
- (C) An Interruption period or Performance Failure begins when the Customer reports a Service, facility or circuit to be inoperative and, if necessary, releases it for testing and repair. An Interruption period or Performance Failure ends when the Service, facility or circuit is operative.

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## 2.15 Allowances for Interruptions in Service (cont'd)

#### 2.15.2 <u>Limitations of Allowances</u>

No credit allowance will be made for any Interruption in or Performance Failure of any Service:

- (A) Due to the negligence of or noncompliance with the provisions of this Tariff by any Person other than the Company, including but not limited to the Customer, User or other common carriers connected to the service of the Company;
- (B) Due to the failure of power, equipment, systems, connections, or services not provided by the Company;
- (C) Due to circumstances or causes beyond the control of the Company or any Force Majeure;
- (D) During any period in which the Company is not given full and free access to its facilities and equipment for the purposes of investigating and correcting Interruptions;
- (E) During any period in which the Customer continues to use the Service on an impaired basis;
- (F) During any period when the Customer has released Service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- (G) That occurs or continues due to the Customer's failure to authorize replacement of any element of special construction;
- (H) That was not reported to the Company within thirty (30) days of the date that Service was affected; and
- (I) Service outage attributable to the installation of a new circuit.

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# 2.15 Allowances for Interruptions in Service (cont'd)

# 2.15.3 Use of Another Means of Communications

If the Customer elects to use another means of communications during the period of Interruption, the Customer must pay the charges for the alternative service used.

# 2.15.4 Application of Credits for Interruptions in Service

- (A) Credits for Interruptions in Service that is provided and billed on a flat rate basis for a minimum period of at least one (1) month, beginning on the date that billing becomes effective, shall in no event exceed an amount equivalent to the proportionate charge to the Customer for the period of Service during which the event that gave rise to the claim for a Credit occurred. A Credit Allowance is applied on a pro rata basis against the Rates specified hereunder and is dependent upon the length of the Interruption. Only those facilities on the interrupted portion of the circuit will receive a Credit.
- (B) For calculating Credit Allowances, every month is considered to have thirty (30) days.
- (C) Only if requested by Customer in writing, a Credit Allowance will be given for Interruptions in Service of thirty (30) minutes or more. Two (2) or more interruptions of thirty (30) minutes or more during any one (1) twenty-four (24) hour period shall be considered as one (1) Interruption.

#### (D) <u>Interruptions of 24 Hours or Less</u>

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	Period
Length of Interruption	To Be Credited
Less than 30 minutes	None
30 minutes up to but not including 3 hours	1/10 Day
3 hours up to but not including 6 hours	1/5 Day
6 hours up to but not including 9 hours	2/5 Day
9 hours up to but not including 12 hours	3/5 Day
12 hours up to but not including 15 hours	4/5 Day
15 hours up to but not including 24 hours	One Day
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# 2.15.4 Application of Credits for Interruptions in Service (cont'd)

(E) <u>Continuous Interruption Over Twenty-four (24) Hours and Less Than</u> Seventy-two (72) Hours

Interruptions over twenty-four (24) hours and less than seventy-two (72) hours will be credited one-fifth (1/5<sup>th</sup>) day for each three (3) hour period or fraction thereof that occurs following the expiration of the initial twenty-four (24) hour period. No more than one (1) full day's Credit will be allowed for any period of twenty-four (24) hours.

(F) <u>Interruptions Over Seventy-two (72) Hours</u>

Interruptions over seventy-two (72) hours will be credited two (2) days for each full 24-hour period that occurs following the expiration of the initial seventy-two (72) hour period. No more than thirty (30) days Credit will be allowed for any one (1) month period.

(G) Notwithstanding the foregoing, Credits for Metro EVPLS and LCT Service shall be as provided in Sections 2.15.5 and 3.2.1 (L).

# 2.15.5 Application of Credits for Performance Failure(s) of Metro EVPLS.

(A) In the event that the Company is unable to restore a portion of the Metro EVPLS as required hereunder, or in the event of a Metro EVPLS Performance Failure, Customer shall be entitled to a Credit against the monthly recurring charges prorated for the affected circuits for the unplanned Performance Failure of Metro EVPLS in excess of fifteen (15) continuous minutes. The Company will deduct any Credit Allowance from future charges payable by the Customer. If two or more Performance Failure(s) in excess of thirty (30) continuous minutes occur in one calendar month, and the cause of the Performance Failure(s) is determined to be in Company's Network, the affected Metro EVPLS will be deemed a trouble service. If a third Performance Failure of thirty (30) continuous minutes occurs within fifteen (15) days after the second thirty (30) minute Performance Failure, Customer may disconnect the affected Metro EVPLS without incurring any Termination Liability Charges.

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# 2.15.5 Application of Credits for Performance Failure(s) of Metro EVPLS (cont'd)

- (B) A Metro EVPLS Performance Failure begins when the Company is notified or becomes aware of the interruption, whichever occurs first. A Metro EVPLS Performance Failure ends when the affected line and/or associated Company facilities and equipment are operational. Any delay time associated with the Company or its agents' inability to access the Metro EVPLS equipment at the Customer's Premise shall not be included in the duration of the Performance Failure. If the Customer reports any Service, equipment, facility or circuit to be inoperative, but declines to release it for testing and repair, it is considered to be impaired, but shall not be deemed a Metro EVPLS Performance Failure.
- (C) Customer must request a Credit Allowance for a Performance Failure within thirty (30) days after the Performance Failure occurs or any claim for an allowance is waived. Unless otherwise specifically stated, Performance Failure(s) are not aggregated for purposes of determining the Credit Allowance.
- (D) The Metro EVPLS Credit Allowance is calculated per circuit according to the following table:

METRO EVPLS Performance Failure Duration	Credit Per Circuit
15 minutes or less	None
Between 15 Minutes and 1 Hour	2% of Company' monthly recurring charge for the affected circuit
Each Hour above 1 Hour	An additional 3% of the Company's monthly recurring charge for the affected circuit, capped at 75% of the Company's monthly recurring charge for any single Metro EVPLS Performance Failure, with a maximum Credit equal to 100% of the Company's monthly recurring charge for all Metro EVPLS Performance Failures to that same circuit in any month

## 2.16 Cancellation of Service/Termination Liability Charges

2.16.1 Customers desiring to terminate a Service Order or Service shall provide Company no less than thirty (30) days written notice thereof. If a Customer cancels a Service Order or terminates Services for any reason whatsoever before the completion of the term set forth in the applicable Service Order, Customer agrees to pay to Company Termination Liability Charges. These charges shall become due and owing as of the effective date of the cancellation or termination and be payable within the period for payment of invoices set forth in this Tariff.

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## 2.16 Cancellation of Service/Termination Liability Charges (cont'd)

#### 2.16.2 Termination Liability Charges

Unless otherwise expressly provided in this Tariff, Customer's Termination Liability Charges shall be equal to:

- (A) All unpaid nonrecurring charges reasonably expended by Company to establish Service to Customer, plus;
- (B) Pro rata refund of all concessions and Credits issued and all waived installation and other nonrecurring charges, plus;
- (C) Any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus;
- (D) An amount equal to fifty percent (50%) of all recurring charges specified in the applicable Service Order for the balance of the then current term for all elements of the Service which include without limit all Nodes, Channel Interfaces, and Internodal Channels.
- 2.16.3 The Customer is responsible for payment of all bills for Service furnished until the termination date regardless of which party terminates the Service. The Customer shall reimburse the Company for all costs, expenses and fees (including reasonable attorneys' fees and costs) incurred by the Company in collecting such amounts.

#### 2.17 Customer Liability for Unauthorized Use of the Network

#### 2.17.1 Unauthorized Use of the Network

(A) Unauthorized use of the Network occurs when: (1) a person or entity that does not have actual, apparent, or implied authority to use the Network, obtains the Company's Services provided under this Tariff; or (2) a person or entity that otherwise has actual, apparent, or implied authority to use the Network, makes fraudulent use of the Network to obtain the Company's services provided under this Tariff, or uses specific services that are not authorized.

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## 2.17.1 Unauthorized Use of the Network (cont'd)

- (B) The following activities constitute fraudulent use:
  - (1) Using the Network to transmit a message, locate a person, or otherwise give or obtain information, without payment for the service:
  - Using or attempting to use the Network with the intent to avoid payment, either in whole or part, of any of the Company's tariffed charges by either rearranging, tampering with, or making connections not authorized by this Tariff to any service components used to furnish the Company's Services or using fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices or electronic devices;
  - (3) Using fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices or electronic devices to defraud or mislead callers.
- (C) Customers are advised that use of telecommunications equipment and services, including that provided under this Tariff, carries a risk of various forms of telecommunications fraud (including, but not limited to, toll and PBX fraud perpetrated by Users who gain access to a Customer's facilities, account numbers, security, or authorization codes, etc.). Customers should take all necessary steps to restrict access to their facilities, including the equipment and services provided hereunder, and to detect and prevent unauthorized use of the equipment and Services provided by the Company under this Tariff.

# 2.17.2 Liability for Unauthorized Use

- (A) Except as provided for elsewhere in this Tariff, the Customer is responsible for payment of all charges for Services provided under this Tariff furnished to the Customer or User. This responsibility is not changed due to any use, misuse, or abuse of the Customer's Service or Customer-provided equipment by Users or other third parties, the Customer's employees, or the public.
- (B) The Customer is liable for all costs incurred as a result of unauthorized use of the Network, including service charges and any direct, indirect, special, incidental, reliance, consequential, exemplary, or punitive charges.
- (C) The Customer is responsible for payment of any charges related to the suspension and/or termination of Service, and any charges for reconnection of Service, incurred as a result of unauthorized use of the Network.

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#### 3. SERVICE DESCRIPTIONS AND RATES

# 3.1 Metro Ethernet Virtual Private Line Service ("Metro EVPLS")

Metro EVPLS is a common carrier service subject to the regulations set forth in this Tariff. The Company, upon request, shall exercise commercially reasonable efforts to provide Metro EVPLS to Customer pursuant to the terms and conditions of this Tariff.

#### 3.1.1 General

- (A) Metro EVPLS permits a Customer to extend the range of their Ethernet communication from their local area network ("LAN") to a wide area network.
- (B) With Metro EVPLS, Customers' Ethernet transmissions are encapsulated at OSI Layer 2, using standard IEEE 802.3 protocol, and delivered over the AGL supplied optical backbone network to a designated remote site. Metro EVPLS thus can deliver IP ("Internet Protocol") or other data packets between two (2) specified points using Ethernet frames. Each Ethernet circuit will have a total Bandwidth Profile, which indicates its maximum data throughput. Metro EVPLS is transparent to Layer 3 protocols, including IP, IPX, and AppleTalk. Connectivity is available (initially) at a discrete bit rate from 1 Mbps to 1000 Mbps (in increments of 1 Mbps or 10 Mbps). Metro EVPLS thus permits Customers to transmit any information content of their choosing, and delivers the Customer's Ethernet communications without change in form or content from the Customer's premises to a specified destination (remote site, data center, or other carrier's point of presence ("POP")).
- (C) Metro EVPLS is suitable for data transmission and VOIP.
- (D) Metro EVPLS provided under this Tariff is available for intrastate service use only.
- (E) Metro EVPLS is available at the rates set forth herein where facilities and services are available. Where special construction is required, additional charges under a Special Pricing Arrangement, as described in Section 3.4 may apply.

#### 3.1.2 Metro EVPLS Regulations

#### (A) Explanation of Terms

- (1) Customer Premises Equipment ("CPE"): Customer supplied equipment used to attach its Ethernet LAN to an Edge Device.
- (2) Edge Device: A Company supplied termination device placed on the Customer's premises that permits Customers to attach their CPE. The Edge Device is part of the Company's regulated network, with the demarcation point (as defined in 47 C.F.R. Section 68.3) being the interface between the Edge Device and the Customer's CPE.

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## (A) Explanation of Terms (cont'd)

(3) Ethernet LAN: A type of LAN conforming to IEEE Standard 802.3 (and related standards). Ethernet protocol (CMSA/CD) permits workstations on a LAN to communicate with one another, at speeds starting at 1 Mbps up to 1 Gbps. Technical specifications are available from:

American National Standards Institute 11 West 42<sup>nd</sup> Street New York, NY 10036

# (B) Regulations

- (1) Customer may not suspend Metro EVPLS.
- (2) Metro EVPLS is available 24 hours per day, 7 days per week, except for periods of scheduled maintenance.
- (3) Metro EVPLS is available for lawful use only. Company may suspend Metro EVPLS if it reasonably suspects that (i) unlawful or fraudulent use is occurring or (ii) Customer supplied CPE is interfering with the proper operation or other customers' use of the Company's Network.
- (4) CPE attachment to the Company's Network (at the Customer's side of the Edge Device) is permitted, subject to compliance with applicable Electrical Institute of America or other interface specifications (available from the Company upon request). The Customer is responsible for installation, operation and maintenance of any and all CPE.
- (5) Responsibilities of the Company:
  - (a) The Company's obligations to provide Metro EVPLS are expressly conditioned upon the availability of facilities and services (including without limitation, services provided by local exchange carriers, Underlying Carriers and access to rights-of-way, poles, conduit, easements, and other carriers' facilities and services), under economically and technically feasible conditions, all as determined by the Company in its sole, reasonable discretion.
  - (b) The Company will provide the Customer with information regarding the Edge Device specifications as reasonably necessary for the Customer to attach its LAN CPE.

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- (B) Regulations (cont'd)
  - (5) Responsibilities of the Company: (cont'd)
    - (c) The Company reserves the right to change its equipment vendors should equipment availability, price or technological advantages make such a change attractive or necessary. In such circumstances, the Company will give the Customer as much advance notice as reasonably possible, to allow the Customer sufficient time to make any necessary changes to CPE, and schedule cooperative testing for cutover if required.
    - (d) The Company will exercise reasonable commercial efforts to timely install Metro EVPLS by either the installation date set forth in a Service Order (defined hereunder) or, if no date is specified therein as soon as practicable after execution of a Service Order, subject to Customer's compliance with all regulations set forth in this Tariff. In the event Company fails to substantially complete such installation within thirty (30) days of the agreed upon installation date in the Service Order, Customer, as its sole remedy, may cancel the Service Order without penalty.
  - (6) Responsibilities of the Customer:
    - (a) The Customer must be prepared to initiate testing of the Metro EVPLS in a timely manner on the negotiated date, providing testing equipment and personnel to support installation requirements, as may be necessary.
    - (b) Customer will be responsible for selecting its own CPE, which must be compatible with the Company provided Edge Devices.
    - (c) The Customer shall be solely responsible for providing at its sole cost, (i) space and racks to house Company supplied Edge Devices, connector panels, splice boxes, media converters and (ii) a suitable power supply to all Company supplied equipment (including any Edge Devices) and for Customer's own CPE connected thereto.
    - (d) The Customer shall arrange for, and shall be solely responsible for securing all permits, approval, and for completing all site preparation as required, for Company supplied Edge Devices to be placed on the Customer premises, together with suitable heating, air conditioning and environmental conditions for the Edge Devices as prescribed by and all at no charge to the Company.

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- (B) Regulations (cont'd)
  - (6) Responsibilities of the Customer: (cont'd)
    - (e) The Customer must obtain a building entrance agreement permitting AGL to bring its lateral connection or other Network facility into the building, if at the time of placing the Service Order Company does not then have access to the building.
    - (f) The Customer will be responsible for selecting its own CPE, which must be compatible with the AGL supplied Edge Devices. Company, upon request and as mutually agreed, may provide CPE to Customer on a case by case basis.
    - (g) Except as otherwise agreed, Customer is responsible for the installations and all costs for the wiring from Customer's CPE to Company's point of demarcation for the building. Customer is responsible for any and all additional costs that may be incurred by Company due to delays caused, in whole or in part, by Customer.
    - (h) The Customer must provide Company with timely access to all Customer location(s) where Company equipment is located for authorized Company personnel and/or its agents to perform routine and emergency maintenance, and/or for removal of Company equipment at the termination, cancellation or expiration of the Service Term.
    - (i) The operation of Metro EVPLS in accordance with the Company accepted Service Order and this Tariff.
    - (j) Submission of a Service Order to Company for the Metro EVPLS ordered, which Service Order is subject to Company's acceptance.
    - (k) The Company's obligations (but not Customer's payment) to install or provide Metro EVPLS shall be excused to the extent affected by Customer's failure to comply with this Section 3.1.2(B)(6).

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- (B) Regulations (cont'd)
  - (6) Responsibilities of the Customer: (cont'd)
    - (1) The Company's obligations hereunder are expressly conditioned upon Customer, at its sole expense, securing a switched, local telephone circuit for purposes of "remote dial-in" and a modem for each Customer location, and making such dial-in line and modem available at all times for the Company's use during installation, maintenance and repairs to the service ordered by Customer. The Company will have no liability whatsoever for (nor will the SLAs apply during the period of) any failure of Metro EVPLS arising from or caused by, directly or indirectly, the operation or failure of said dial-in line and/or modem.
  - (7) Trouble Resolutions

The Company will assist the Customer in resolving any installation or Metro EVPLS problems. However, the Company does not assume responsibility for the compatibility or suitability of the Customer's CPE. Company dispatches of personnel to the Customer premises to resolve problems caused, directly or indirectly, by CPE (or other Customer supplied devices or equipment) will result in additional charges to the Customer, based on the Company's then effective rates on a time and materials basis.

(8) Service Orders

Customer may order Metro EVPLS by executing a Service Order. In addition to the Service Order, Customer shall also execute such other documents as the Company may reasonably require. In the event of a conflict or inconsistency between (i) the terms of a Service Order (or of any other document executed by the Customer) and (ii) those of this Tariff, the latter shall govern.

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#### 3.1.3 Metro EVPLS Service Level Agreement ("SLAs")

The Company shall undertake commercially reasonable efforts to achieve the following performance goals and to make available the following network capabilities for Metro EVPLS Customers:

(A) Network Performance Goals ("SLAs")

SLAs will vary, depending upon Customer's network configuration and specific service agreements entered into by the parties. Generally speaking, EVPLS is intended to operate according to the following SLAs:

- (1) EVPLS Availability: 99.5% 99.99%
- (2) Network Restoration: 200ms 1000ms

## (B) <u>SLA Description Metrics</u>

- (1) Bandwidth Guarantee: the Company guarantees that for periods when EVPLS is available, full port-to-port Circuit bandwidth is available for the Customer's use at all times.
- (2) Response and Repair Times:

In the event of a Performance Failure in Metro EVPLS, excluding events as defined in Section 2.15.2, the Company will respond after receiving notification of the EVPLS Performance Failure from either internal network monitoring or Customer. After receiving notification of the EVPLS Performance Failure, the Company shall restore EVPLS on its failed system as follows:

- (i) Electronic Restoration
  - In the event of an electronic failure, the Company shall use reasonable commercial efforts to restore the affected Metro EVPLS electronics within eight (8) hours of arrival of maintenance personnel on site. Such repairs may be temporary.
- (ii) Cable Restoration
  In the event of a cable failure of Company supplied cables, the Company shall use reasonable commercial efforts to effect repairs on the cable within eight (8) hours after of arrival of maintenance personnel on site. Such repairs may be temporary.

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## 3.1.3 Metro EVPLS Service Level Agreement ("SLAs") (cont'd)

# (B) SLA Description Metrics (cont'd)

- (2) Response and Repair Times: (cont'd)
  - (iii) Permanent Restoration

Within one (1) business day after completing any temporary repair or restoration, Company shall commence planning permanent repair. Company shall notify Customer of its permanent repair plans and implement such repairs within an appropriate time thereafter. Company shall strive to repair "in-use" fibers first and repair those fibers not currently in-use during permanent restoration activities.

# 3.1.4 Metro EVPLS Rates

	1 to 9 Mbps	10 to 99 Mbps	100 to 1000 Mbps
Installation	\$6,000.00	\$10,000.00	\$20,000.00
MRC	ICB based on Committed Bandwidth, Special Construction Costs and Distance between Network Connections	ICB based on Committed Bandwidth, Special Construction Costs and Distance between Network Connections	ICB based on Committed Bandwidth, Special Construction Costs and Distance between Network Connections
Service Term	ICB	ICB	ICB

#### 3.1.5 Termination Liability Charges

In the event that, prior to the end of the period of time for which the Metro EVPLS was ordered, Customer terminates the Service or in the event that the delivery of Service is terminated by Company due to a failure of Customer to comply with the terms of this Tariff, Customer shall pay Termination Liability Charge(s) as specified in Section 2.16 of this Tariff.

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# 3.2 Link Connectable Transport ("LCT") Service

#### 3.2.1 General

- (A) LCT service is an intraLATA or interLATA fiber optic based, digital service which provides channelization capability for the customer in packages based on systems consisting of DS1, DS3, STS-1, OC-3, OC-12, OC-48 and OC-192 channels. It will provide local channels in the following system sizes:
  - (1) Synchronous STS-1, OC-3, OC-12, OC-48 and OC-192 service

Synchronous systems are capable of transporting all channels. The capacity of each LCT service system is shown in the following table:

LCT System	<u>DS1</u>	<u>DS3</u>	<u>STS-1</u>	<u>OC-3</u>	<u>OC-12</u>	OC-48
LCT STS-1	28		1			
LCT OC-3	84	3	3	1		
LCT OC-12	336		12	12	4	1
LCT OC-48	1344	48	48	16	4	1
LCT OC-192	5376	192	192	64	16	4

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- (B) Channelization is provided by LCT service systems which furnish point to point fiber optic transport from or to the Company's Optical Fiber Termination Point (a node, facility, structure or other connection point located at or on a Company fiber optic ring), or from or to customer designated Premises or POPs. Channel interfaces are offered to provide individual DS1, DS3, STS-1, OC-3, OC-12 and OC-48 channels. The Customer may channelize all or part of a LCT service package to activate data facilities for interconnection with the exchange network, voice grade and data facilities for private line channels, as well as other LCT services. The Customer may also choose not to channelize all or part of a LCT service package allowing direct connection to other Company services as provided in this Tariff. (OC-12, OC-48 and higher LCT service local channel systems are only available as channelized.)
- (C) Channel interface availability varies with system size and transport architecture.

  The following table lists the channel interfaces available with each LCT service system.

## **Local Channel Systems:**

Customer Channel Interfaces	<u>STS-1</u>	<u>OC-3</u>	OC-12	<u>OC-48</u>	OC-192
DS1	Yes	Yes	No	No	No
DS3	Yes	Yes	Yes	Yes	No
STS-1	Yes	Yes	Yes	Yes	No
OC-3	No	Yes	Yes	Yes	Yes
OC-12	No	No	No	Yes	Yes
OC-48	No	No	No	No	Yes

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(C) (cont'd)

Local Channel Systems: CO Channel Interfaces	<u>STS-1</u>	<u>OC-3</u>	OC-12	OC-48	OC-192
DS1	Yes	Yes	No	No	No
DS3	No	Yes	Yes	Yes	No
STS-1	Yes	Yes	Yes	Yes	No
OC-3	No	Yes	Yes	Yes	Yes
OC-12	No	No	No	Yes	Yes
OC-48	No	No	No	No	Yes
28 DS1 Channel System	No	No	Yes	Yes	No
STS-1 Channel System	No	No	Yes	Yes	No
OC-3 Channel System	No	No	Yes	Yes	Yes
OC-12 Channel System	No	No	No	No	Yes
OC-48 Channel System	No	No	No	No	Yes

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- (D) LCT service systems may have an optical physical interface at either the CO or the Customer termination location. Where a Customer elects to order a LCT service with optical termination at the Customer's location, the Customer's termination equipment must be compatible with Company equipment. Customers are also required to utilize compatible channel interface combinations to function with Company provided CO channel interfaces. The Company reserves the right to determine the equipment it employs for Service.
- (E) This Service is available within a LATA where appropriate optical facilities and services can be made available as determined by the Company. Service inquiries will be necessary to determine availability interval.
- (F) All LCT services in a Customer's package must be channelized in a single equipment location on a Customer's Premises, i.e., a package cannot be split between premises, or multiple locations within a Premises. Standard network interfaces will be provided by the Company for digital services consistent with existing practices for single channel services.
- (G) Individual channels within a LCT service package may be connected with service offered in other sections of this Tariff as appropriate. The regulations and Rates in this Tariff are applicable for the LCT service component of the Customer's end-to-end service. Single channel service components (non-LCT service links) are subject to the regulations and Rates in their respective Tariff sections.
- (H) The Customer may activate any number or combination of channels within a LCT service package within the capacity limits of the basic system. Channels may be activated coincident with installation or at any time subsequent to basic system installation. Once activated, a channel is subject to a minimum service period in accordance with the contract period. Features (channels) activated under month-tomonth rates will have a minimum service period of one (1) month.
- (I) Synchronous channels, automatic protection switching capability is provided via the synchronous Customer or CO channel 4-fiber interfaces. These 4-fiber interfaces provide 1+1 optical card protection of the interface. The specifications for these interfaces are contained in BellSouth Telecommunications, Inc. Technical Reference #73501.

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- (J) The termination of channelization equipment will be in a single equipment location on a Customer's Premises. The Customer must provide suitable floor space, controlled environment, and a source of non-switched 120 volt, 60 Hz AC power to support this Service.
- (K) Channelization of DS3 (electrical) data rates on a Customer's Premises may also be provided by the Customer. Joint provisioning of channelized services introduces joint responsibilities between the Customer and the Company.
  - (1) Responsibilities of the Company:
    - a. The Company will endeavor to activate its portion of joint service in a timely manner on the negotiated date to support installation requirements.
    - b. The Company will provide the Customer with information regarding the type and the manufacturer of CO channelization equipment to be used in each application.
    - The Company will limit its selection of CO equipment to avoid operational and administrative difficulties associated with a multi-vendor environment.
    - d. The Company reserves the right to change its equipment vendors should equipment availability, price or technological advantages make such a change attractive or necessary.
    - e. The Company will notify the Customer, generally a minimum of three (3) months in advance, of any need to change its CO equipment to allow the Customer sufficient time to respond, make any necessary changes, and schedule cooperative testing for cutover if required.
    - f. Digital synchronization timing for LCT services will be provided by the Company.

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- (2) Responsibilities of the Customer:
  - a. The Customer must be prepared to activate its portion of joint service in a timely manner on the negotiated date, providing testing equipment and personnel to support installation requirements, as may be necessary.
  - b. The Customer will be responsible for selecting its own equipment. Customer equipment must be compatible with the Company provided channelization.
  - c. The Customer must provide suitable power for its own equipment. Simplex powering will not be provided by the Company for a Customer's channel service units due to the serving arrangements associated with fiber optic facilities.
  - d. If the Customer wishes the Company to locate Company equipment at the Customer's Premises or POP and the Company agrees to place such equipment, Customer shall provide, at no charge to Company, suitable space, power and environmental conditions for the equipment.

#### (3) Trouble resolutions:

The Company will assist the Customer in resolving any installation or day to day channel service problems. However, the Company does not assume responsibility for the compatibility or suitability of the Customer's equipment. Dispatches to Customer Premises caused by Customer equipment troubles will result in additional charges to the Customer.

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## (L) Credit Allowance

When an Interruption to LCT service occurs due to causes other than negligence of the Customer, or to the failure of facilities or equipment furnished by the Customer or third person, a Credit Allowance will be made upon request for the portion of Service affected. Where Service Interruptions of one (1) minute or more per occasion occur, the Credit applied shall be at the per minute rate of 1/1440 of the monthly charges for the LCT service. All Credit Allowances shall begin from the time of notice by the Customer to the Company, and will end when Company determines that the LCT service is operative. A Customer must report the outage in order to receive service outage Credit. The total Credit received in any month shall not exceed the monthly Charges for the LCT service.

(M) The technical specifications and standard network interfaces for LCT service, DS3, DS1 and associated channelization are contained in BellSouth Technical Reference #73501.

#### 3.2.2 Application of Rates

- (A) Monthly Rates as specified in Section 3.2.4 following apply for each LCT service, and are the maximum rates that will apply to standard LCT Service purchased under this Tariff other than on an ICB. These Rates apply regardless of the number of circuit equivalents within each package that are actually activated by the Customer at a point in time. Access, egress (or related charges) or any other charges of third parties are not included in the Rates specified in Section 3.2.4 following.
  - (1) Channel systems furnished between a CO and the Customer's Premises are distance sensitive. Basic Channel systems include the transport common equipment, and first half route mile of channel facilities at Rates specified in Section 3.2.4(A) following.
- (B) All usual and applicable Service Connection Charges and Nonrecurring Charges as specified in the tariffs apply to the activation, move or change of channel equivalents within LCT service packages as well as for installation of the basic system. Suspension of service is not permitted with LCT service.
- (C) Channel interfaces are required for LCT service based upon the following guidelines:
  - (1) Channel interfaces are required at both the Customer's location and the CO, or another Customer location, for LCT service local channel systems, except as specified in (2) following.

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## 3.2.2 Application of Rates (cont'd)

- (2) A LCT service CO channel interface is not required for a LCT service channel system with optical termination at a CO. A LCT service local channel system with optical termination in the CO may connect in one (1) of the following ways:
  - a. To another LCT service local channel at the compatible optical level:
  - b. To a Self-Healing Ring service channel interface ("CI") at the compatible optical level; or
  - To a compatible optical level channel interface from a higher level LCT service local channel.
- (3) LCT service channel interfaces are only offered in conjunction with a LCT service System.
- (4) Company provided DS1 Customer channel interfaces are offered only with LCT STS-1 and LCT OC-3 Basic Systems.
- (5) OC-12 and OC-48 LCT service channel systems require a 28 DS1, STS-1, or OC-3 channel system in addition to DS1 channel interfaces in the CO, or Customer location to derive DS1 channels. OC-192 LCT service local channel systems require an OC-3 channel system in addition to DS1 channel interfaces to terminate DS1 channels in the CO, or Customer location.
- (6) OC-192 LCT service local channel systems require an OC-3, OC-12 or OC-48 channel system in addition to DS3 or STS-1 channel interfaces to terminate DS3 or STS-1 channels in the CO or Customer location.
- (7) OC-3 LCT service channel systems which require a DS3 termination at one (1) location and DS1 terminations at the other, have two (2) options available:
  - a. A DS3 channel interface at the Customer location and a 28 DS1 channel system in addition to DS1 channel interfaces at the CO, or
  - b. A DS3 (asymmetrical with DS1) interface at one (1) termination point and DS1 channel interfaces at the other termination point.

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## 3.2.2 Application of Rates (cont'd)

- (D) LCT service channel mileage Rates are distance sensitive. They are measured per half route mile or fraction thereof from the Customer's designated Premises to the Company origination location. Fractional mileage shall be rounded up to the next half (½) mile.
- (E) LCT service Systems are available under contract only for variable rate periods with Rates based on lengths of 24 to 48 months, 49 to 72 months, or 73 to 96 months under conditions specified in Section 3.2 except as modified following. Contract rate increases are subject to the stipulations of (F) following. All elements of a contract will expire at the same time (be coterminous).
  - (1) LCT service Systems are available only under contract as specified preceding. Month to month rates are only available at the end of a contract rate period ("Term"). Customer channel interfaces are available on a month to month basis or under contract.
  - (2) All rate elements associated with a LCT service local channel must be provided under the same payment plan; provided however, that channel interfaces may be activated on month-to-month Rates or a shorter payment period if desired.
- (F) LCT service Rates under contract will not be increased by Company initiative until the contract period expires. Those monthly Rates for LCT service in effect at the time the Service is installed and/or as of the Service Order application date, will be applicable until the contract expires. At the expiration date of the Customer's payment period option, the Customer may select a new payment period option at current contract rates or revert to current Rates on a month-to-month basis.

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## 3.2.3 <u>Digital Architecture and Definitions</u>

# (A) <u>Digital Architecture</u>

(1) LCT services differ in provisioning method and numbering format from single channel services. These services will be available from the Company on a link (partial channel) basis rather than as an end-to-end service. This architecture is intended to promote more efficient connectivity of analog and digital networks in the future.

Many LCT service channels will be available on a digital basis at the network interface on a Customer's Premises. Traditional analog services, like tie lines and off-premises stations can be provided on a digital basis to a premises by the Company when a Customer desires them encoded in a DS1 bit stream. Under those conditions, they will be provided as DS0 channels by the Company. Both the Company and the Customer have joint responsibilities to ensure the proper transmission of the provided services. Normal analog channel network interface specifications will be superseded by the electrical specifications of the 1.544 Mbps (DS1) channel which is actually terminated. Each DS0 channel provided will have identity only as a "time slot" within a DS1 channel. Compatible digital to analog conversion equipment must be provided by the Customer to derive the desired analog services. Any Channel Service Units ("CSUs") necessary for digital services are the responsibility of the Customer.

#### (B) <u>Definitions</u>

#### CHANNEL SERVICE UNIT (CSU)

This denotes network channel terminating equipment provided by the Customer to terminate digital channel facilities on a Customer's or User's premises.

#### **DSO**

This denotes a channel service expressed in terms of its digitally encoded data bit rate in accordance with the North American hierarchy of digital signal levels. It is generally referred to as having a 64 kbps transmission data rate signal. The required format and interface specifications are referenced in BellSouth Technical Reference #73501.

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## 3.2.3 <u>Digital Architecture and Definitions</u> (cont'd)

# (B) <u>Definitions</u> (cont'd)

#### DS1

This denotes a channel service expressed in terms of its digitally encoded data bit rate in accordance with the North American hierarchy of digital signal levels. It has a 1.544 Mbps transmission data rate, and provides for the two-way simultaneous transmission of isochronous timed, Bipolar Return-to-Zero (BPRZ) bit stream format, except where intentional bipolar violations are introduced by Bipolar with 8 Zero Substitution (B8ZS) format. Unframed signal formats are not permitted or compatible with Company equipment. The required format and interface specifications are contained in BellSouth Technical Reference #73501.

#### DS3

This denotes a channel service expressed in terms of its digitally encoded data bit rate in accordance with the North American hierarchy of digital signal levels. It has a 44.736 Mbps transmission data rate, and provides for two-way simultaneous transmission of randomized Non-Return-to-Zero (NRZ) signals with a B3ZS format. The required format and interface specifications are contained in BellSouth Technical Reference #73501.

#### SYNCHRONOUS LCT SERVICES

LCT service is available in the following synchronous systems: STS-1, OC-3, OC-12, OC-48 and higher levels LCT. These offerings are intended to be a very flexible, link connectable transport service for large Customers. They have the capability of connecting with individual exchange and private line services, Self-Healing Sonet Ring service and/or other LCT services. Appropriate electrical and optical signals will be provided in accordance with the specifications of BellSouth Technical Reference #73501.

## SYNCHRONOUS OPTICAL NETWORK (SONET)

SONET defines a progressive hierarchy of optical signal and line rates. The basic building block is the STS-1 (Synchronous Transport Signal at level 1), operating at 51.840 Mbps. All higher rate signals (STS-N) are multiples of the basic STS-1 signal rate. The optical counterpart of a STS-N is the OC-N, operating at the same rate as the corresponding STS-N. The required format and interface specifications are contained in BellSouth Technical Reference #73501.

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# 3.2.4 Rates and Charges

# (A) <u>LCT service Basic Channel Systems</u>

The Basic System includes photonic common equipment and first one-half route mile of I channel fiber optic facilities and services.

		Nonrecurring Charge	Month to Month	24 to 48 Months	49 to 72 Months	73 to 96 Months	USOC
1.	LCT STS-1 Basic System <sup>1</sup>						
	(a) Per System	700.00	2,070.00	1,590.00	1,440.00	1,290.00	HFST1
2.	LCT OC-3 Basic System <sup>1</sup>						
	(a) Per System	700.00	3,700.00	3,100.00	2,800.00	2,500.00	HFSO3
	(b) Per System with Optical	700.00	2,432.00	1,968.00	1,776.00	1,584.00	HFSOC
	Customer Termination						
3.	LCT OC-12 Basic System <sup>1</sup>						
	(a) Per System	700.00	5,500.00	5,100.00	4,600.00	4,150.00	HFS12
	(b) Per System with Optical	700.00	3,840.00	3,504.00	3,200.00	2,880.00	HFS1C
	Customer Termination						
4.	LCT OC-48 Basic System <sup>1</sup>						
	(a) Per System	700.00	13,000.00	11,000.00	10,000.00	9,000.00	HFS48
	(b) Per System with Optical	700.00	8,000.00	7,040.00	6,400.00	5,760.00	HFS4C
	Customer Termination						
5.	LCT OC-192 Basic System <sup>1</sup>						
	(a) Per System	700.00	26,000.00	22,000.00	20,000.00	18,000.00	HFST2

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<sup>&</sup>lt;sup>1</sup> Month to month rates are only available at the end of a contract rate period.

# (A) <u>LCT service Basic Channel Systems</u> (cont'd)

6.	CO Interfaces	Nonrecurring Charge	Month to Month	24 to 48 Months	49 to 72 Months	73 to 96 Months	USOC
	(a) Per DS1	\$125.00	\$24.00	\$20.00	\$17.00	\$16.00	1PQE8
	(b) Per DS3	125.00	115.00	95.00	90.00	85.00	1PQE3
	(c) Per STS-1	125.00	175.00	140.00	130.00	120.00	1PQE4
	(d) Per OC-3 (2 Fiber)	200.00	240.00	190.00	175.00	160.00	1PQE5
	(e) Per OC-3 (4 Fiber)	200.00	425.00	330.00	300.00	270.00	1PQE6
	(f) Per OC-12 (2 Fiber)	360.00	640.00	495.00	450.00	405.00	1PQEE
	(g) Per OC-12 (4 Fiber)	400.00	1,280.00	990.00	900.00	810.00	1PQED
	(h) Per OC-48 (2 Fiber)	500.00	1,600.00	1,325.00	1,215.00	1,050.00	1PQEO
	(i) Per OC-48 (4 Fiber)	500.00	3,200.00	2,650.00	2,430.00	2,100.00	1PQEF
	(j) Per 28 DS1 Channel System	125.00	600.00	490.00	465.00	450.00	MQ3CO
	(k) Per DS1 on 28 DS1 Channel System	125.00	15.00	8.00	7.00	6.00	1PQEA
	(1) Per STS-1 Channel System	125.00	600.00	490.00	465.00	450.00	1PQE7
	(m) Per OC-3 Channel System	125.00	1,325.00	1,100.00	1,000.00	900.00	1PQE9
	(n) Per OC-12 Channel System	125.00	2,650.00	2,200.00	2,000.00	1,800.00	1PQ12
	(o) Per OC-48 Channel System	125.00	5,490.00	4,410.00	4,050.00	3,510.00	1PQ48

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# (A) LCT service Basic Channel Systems (cont'd)

7.	Customer Channel Interfaces	Nonrecurring Charge	Month to Month	24 to 48 Months	49 to 72 Months	73 to 96 Months	USOC
	(a) Per DS1	170.00	24.00	20.00	17.00	16.00	1PQF1
	(b) Per DS3	125.00	115.00	95.00	90.00	85.00	1PQF3
	(c) Per STS-1	125.00	240.00	195.00	185.00	175.00	1PQF4
	(d) Per OC-3 (2 Fiber)	125.00	240.00	190.00	175.00	160.00	1PQF5
	(e) Per OC-3 (4 Fiber)	125.00	475.00	380.00	350.00	320.00	1PQF6
	(f) Per OC-12 (2 Fiber)	275.00	715.00	570.00	525.00	480.00	1PQF8
	(g) Per OC-12 (4 Fiber)	275.00	1,430.00	1,140.00	1,050.00	960.00	1PQF7
	(h) Per OC-48 (2 Fiber)	300.00	1,600.00	1,325.00	1,215.00	1,050.00	1PQF2
	(i) Per OC-48 (4 Fiber)	300.00	3,200.00	2,650.00	2,430.00	2,100.00	1PQFO

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(B) <u>LCT service Internodal or Interoffice Channels</u> (These channels are furnished between Customer Premises or POPs and other Customer Premises or POPs or Company COs. Rates are based upon route miles.<sup>1</sup>

	Nonrecurring Charge	Month to Month	24 to 48 Months	49 to 72 Months	73 to 96 Months	USOC
1. LCT STS-1 Service <sup>1</sup>						
a. Per STS-1						
(1) 0-8 miles						
(a) Fixed	190.00	1,430.00	975.00	775.00	625.00	1LPS8
(b) Per Mile	-	130.00	70.00	60.00	50.00	1LPE8
(2) 9-25 miles						
(a) Fixed	190.00	1,600.00	1,125.00	925.00	775.00	1LPS9
(b) Per Mile	-	130.00	70.00	60.00	50.00	1LPE9
(3) Over 25 miles						
(a) Fixed	190.00	1,870.00	1,325.00	1,125.00	925.00	1LPS6
(b) Per Mile	-	130.00	70.00	60.00	50.00	1LPE6

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# (B) <u>LCT service Internodal or Interoffice Channels</u> (cont'd)

2. LCT OC-3 Service <sup>1</sup>	Nonrecurring Charge	Month to Month	24 to 48 Months	49 to 72 Months	73 to 96 Months	USOC
a. Per OC-3	_					
(1) 0-8 miles						
(a) Fixed	190.00	2,100.00	1,475.00	1,225.00	1,025.00	1LPS8
(b) Per Mile	-	225.00	155.00	140.00	125.00	1LPE8
(2) 9-25 miles						
(a) Fixed	190.00	2,600.00	2,150.00	2,000.00	1,900.00	1LPS9
(b) Per Mile	-	225.00	155.00	140.00	125.00	1LPE9
(3) Over 25 miles						
(a) Fixed	190.00	3,600.00	3,150.00	2,900.00	2,700.00	1LPS6
(b) Per Mile	-	225.00	155.00	140.00	125.00	1LPE6

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Month to month rates are only available at the end of a contract rate period.

# (B) <u>LCT service Internodal or Interoffice Channels</u> (cont'd)

 LCT OC-12 Service <sup>1</sup> Per OC-12	Nonrecurring Charge	Month to Month	24 to 48 Months	49 to 72 Months	73 to 96 Months	USOC
(1) 0-8 miles						
(a) Fixed	190.00	4,000.00	3,300.00	3,000.00	2,700.00	1LPS8
(b) Per Mile	-	400.00	320.00	290.00	260.00	1LPE8
(2) 9-25 miles						
(a) Fixed	190.00	5,500.00	4,800.00	4,500.00	4,200.00	1LPS9
(b) Per Mile	-	400.00	320.00	290.00	260.00	1LPE9
(3) Over 25 miles						
(a) Fixed	190.00	7,200.00	6,500.00	6,200.00	5,900.00	1LPS6
(b) Per Mile	-	400.00	320.00	290.00	260.00	1LPE6

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<sup>&</sup>lt;sup>1</sup> Month to month rates are only available at the end of a contract rate period.

# (B) <u>LCT service Internodal or Interoffice Channels</u> (cont'd)

4. LCT OC-48 Service <sup>1</sup>	Nonrecurring Charge	Month to Month	24 to 48 Months	49 to 72 Months	73 to 96 Months	USOC
a. Per OC-48						
(1) 0-8 miles						
(a) Fixed	190.00	7,800.00	6,500.00	5,800.00	5,200.00	1LPS8
(b) Per Mile	-	600.00	500.00	450.00	400.00	1LPE8
(2) 9-25 miles						
(a) Fixed	190.00	8,700.00	7,300.00	6,700.00	6,100.00	1LPS9
(b) Per Mile	-	600.00	500.00	450.00	400.00	1LPE9
(3) Over 25 miles						
(a) Fixed	190.00	10,000.00	8,600.00	7,900.00	7,100.00	1LPS6
(b) Per Mile	-	600.00	500.00	450.00	400.00	1LPE6

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<sup>&</sup>lt;sup>1</sup> Month to month rates are only available at the end of a contract rate period.

# (B) <u>LCT service Internodal or Interoffice Channels</u> (cont'd)

5. LCT OC-192 Service <sup>1</sup>	Nonrecurring Charge	Month to Month	24 to 48 Months	49 to 72 Months	73 to 96 Months	USOC
a. Per OC-192						
(1) 0-8 miles			4 4 4 0 0 0 0	1 4 000 00	12 500 00	11 DC0
(a) Fixed	190.00	19,000.00	16,500.00	14,800.00	13,500.00	1LPS8
(b) Per Mile	-	600.00	500.00	450.00	400.00	1LPE8
(2) 9-25 miles						
(a) Fixed	190.00	19,900.00	16,900.00	15,200.00	13,700.00	1LPS9
(b) Per Mile	-	600.00	500.00	450.00	400.00	1LPE9
(3) Over 25 miles						
(a) Fixed	190.00	22,000.00	18,700.00	16,800.00	15,100.00	1LPS6
(b) Per Mile	-	600.00	500.00	450.00	400.00	1LPE6

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<sup>&</sup>lt;sup>1</sup> Month to month rates are only available at the end of a contract rate period.

3.2.4	Rates and Cl	harges (cont'd)
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- (C) Moves
  - (1) A move involves a change in the physical location of one of the following:
    - a. The point of interface at the Customer Premises; or
    - b. The Customer's premises.
  - When the move is to a new location in Company territory within the same state, the charge for the move is equal to the sum of all nonrecurring charges applicable to a new LCT service arrangement at the new location.

When the move is to a new location in Company territory in a different state, the move will be treated as a discontinuance and start of service. The Customer will be responsible for satisfying all outstanding minimum period charges for the discontinued service. All applicable nonrecurring charges at the new location will apply.

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#### 3.3 Dark Fiber Leasing

#### 3.3.1 General

- (A) The Company will make available Dark Fibers owned or controlled by Company for the placement of the Attaching Party's Attachments.
- (B) It is expressly understood that the Company is and will at all times remain the sole owner and holder of title to any Dark Fiber leased by Customer pursuant to this Tariff. Nothing in this Tariff or any documents shall be construed as conveying to Customer any right, title or interest in any Dark Fiber leased by Customer pursuant to this Tariff, except for the mere license and right to use the same pursuant to this Tariff.
- (C) The Company will provide Dark Fiber to Customers pursuant to terms of service that are negotiated between the Customer and Company and set forth in the Customer Contract. Dark Fiber provided under this Tariff shall not be used for any unlawful purpose and may not be furnished if any law enforcement or regulatory agency, acting within its jurisdiction, determines that such services are being used in violation of the law. Any Dark Fiber provided under this Tariff is subject to and dependent upon all applicable law and prior property interests

## 3.3.2 Regulations for Dark Fiber Leasing

## (A) <u>Description of Service</u>

The provision of Dark Fiber to a Customer, including by leasing, renting or granting indefeasible rights to use the same.

#### (B) Lease Term

Dark Fiber leases have a minimum twenty (20) year term.

#### (C) Full Route Mileage Lease

All Dark Fiber must be leased over the full route mileage of the continuous Dark Fiber, such mileage and continuous route as defined and calculated solely by the Company.

## (D) <u>Inventory of Dark Fiber</u>

All Dark Fiber is offered on an "as is" basis with no conditioning offered. Dark Fiber available for leasing does not include maintenance spares, defective fibers or fibers subscribed to by other parties.

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## 3.3.2 Regulations for Dark Fiber Leasing (cont'd)

#### (E) Ordering of Dark Fiber.

Upon completion of a Dark Fiber inquiry, if the Company determines that Dark Fiber is available, the prospective Customer may place a request for access to the Dark Fiber. The minimum number of fiber strands that can be ordered is two (2). All Dark Fiber must be ordered in multiples of two (2) fiber strands.

# (F) <u>Demarcation Points for Dark Fiber</u>.

The demarcation points for Dark Fiber will be in a Company-approved splitter shelf. To allow for non-intrusive testing, Company will install demarcations and place fiber jumpers from the fiber optic termination panel to the demarcation point. The Customer will run its fiber jumpers from the demarcation point (1x2, 90-10 optical splitter) to the Customer's equipment.

## (G) Rates and Charges

g Charge	Annual Charge
\$200.00	,
\$50.00	
\$50.00	
\$1,000.00	
\$1,000.00	
	\$100.00
	\$7500.00
	\$60.00
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Dark Fiber Leasing is also available on a month-to-month basis, under variable rate periods, and also subject to an ICB in accordance with Section 3.4.

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## 3.3.2 Regulations for Dark Fiber Leasing (cont'd)

#### H. Response and Repair Times

In the event of a Cable or Dark Fiber failure, excluding events as defined in Section 2.15.2, the Company will respond after receiving notification of such failure from either internal network monitoring or Customer. After receiving such notification, the Company shall repair and restore its failed system as follows:

- (i) Electronic Restoration
  In the event of an electronic failure, the Company shall use reasonable commercial efforts to restore the affected electronics within eight (8) hours of arrival of maintenance personnel on site. Such repairs may be temporary.
- (ii) Cable Restoration
  In the event of a Cable, Dark Fiber, Innerduct or Conduit failure, the
  Company shall use reasonable commercial efforts to effect repairs within
  eight (8) hours after of arrival of maintenance personnel on site. Such
  repairs may be temporary.
- (iii) Permanent Restoration
  Within one (1) business day after completing any temporary repair or restoration, Company shall commence planning permanent repair.
  Company shall notify Customer of its permanent repair plans and implement such repairs within an appropriate time thereafter. Company shall strive to repair "in-use" fibers first and repair those fibers not currently in-use during permanent restoration activities.

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# 3.4 Contract Rates - Special Pricing Arrangements - SPA

- 3.4.1 In lieu of the rates, terms and charges otherwise set forth in this Tariff, rates, terms and charges, including minimum usage, installation, special construction, maintenance, repair and recurring and non-recurring charges for Company's Services, may be established at negotiated rates on an ICB basis, taking into account the nature of the facilities and Services, the costs of construction and operation, the volume of traffic, the length of service commitment by the Customer, and use of facilities by other customers. Such arrangements shall be considered Special Pricing Arrangements ("SPA"), all of the terms of which will be set forth in individual Customer contracts. However, unless otherwise expressly specified to the contrary in such Contract, all of the terms, conditions, obligations and regulations set forth in this Tariff shall be deemed to be incorporated into, and become a part of, said contract, and shall be binding on Company and Customer
- 3.4.2 In addition to charges for the Services, the Customer is also responsible for payment of any sales, use, gross receipts, excise, or other local, state and federal taxes, charges, franchise fees or surcharges or any kind and character (however designated) (excluding taxes on the Company's net income) imposed on or based upon the provision, sale, or use of the Services and facilities. If Customer provides Company with a duly authorized exemption certificate, Company will exempt Customer in accordance with law, effective on the date Company receives the exemption certificate. If Customer does not give Company written notice of a dispute with respect to Company charges or application of taxes within six (6) months of the date of an invoice, such invoice shall be deemed to be correct and binding on Customer;
- 3.4.3 Any assessments, franchise fees, access, ingress or egress fees or charges for use of real property, privilege, license, occupation or excise taxes or fees or other similar taxes or fees, whether in lump sum or at a flat rate, or based on receipts, or based on poles, wire or other utility property units, imposed upon Company by any governmental authority may be added pro rata, insofar as practical, in amounts which in the aggregate for the Company's Customers of any political entity shall be equal to the amount of any such tax upon the Company. The Company may, so long as any such tax or fee is in effect, add to the bills of the Customers in such political entity pro rata on the basis of the revenue derived by the Company from each such Customer, an amount sufficient to recover any such tax or fee.
- 3.4.4 Customer shall pay taxes, surcharges, access charges, any recurring or nonrecurring charges imposed by local exchange telephone companies or interexchange carriers incurred by or on behalf of the Customer in establishing and maintaining service. Such charges may be billed by Company or directly by the local exchange company or interexchange carrier, at Company's option

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# 3.4 Contract Rates - Special Pricing Arrangements - SPA (cont'd)

- 3.4.5 Specialized Rates or Charges will be made available to similarly situated Customers on a non-discriminatory basis. However, such a Customer must not (i) be receiving Services under another SPA, (ii) be in breach of any Company agreement or obligation, nor (iii) have any outstanding past due balances with Company, in order to request Services under the terms of another customer's SPA.
- 3.4.6 Requests for Services available under a another Customer's SPA must be made in writing and received by Company within the period of availability for the original SPA and must contain evidence that demonstrates, in Company's sole discretion, that the request is being made by a similarly situated Customer. If a written request is received during the availability period, Company will, subject to the deposit and other requirements hereof, provide the Customer with an SPA. SPA contracts may not be requested after the period of availability has expired. In order to purchase Services under an SPA, the SPA must be signed and returned to Company within fifteen (15) days.
- 3.4.7 Each Customer requesting a SPA will be required to establish credit. Any Customer whose credit has not been duly established to the sole and exclusive satisfaction of Company may be required to make a deposit, to be held as a guarantee of payment of charges. The deposit must be made by Customer prior to commencement of any Services. In addition, an existing Customer may be required to make a deposit or increase a deposit presently held.

The Company will accept Bank Letters of Credit instead of cash deposits. The deposit may be held for as long as the Company, in its sole discretion, deems appropriate. A deposit will not exceed Customer's estimated charges for six (6) months' Service plus installation, construction costs, and other non-recurring charges.

If the deposit is not posted with five (5) days of receipt of deposit notice, Service to the Customer may be discontinued without further notice.

3.4.8 A deposit will be returned: (a) if the SPA is not consummated. The deposit will be applied to any charges applicable in accordance with the base service schedules and the excess portion of the deposit will be returned; or (b) upon the discontinuance of all Services. The Company will refund the Customer's deposit or the balance in excess of all outstanding charges, including all termination liabilities.

The fact that a deposit has been made in no way relieves the Customer from complying with the Regulations with respect to deposits and the prompt payment of invoices.

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# ATTACHMENT "C"

# AFFIDAVIT OF PUBLICATION FORM (NOT REQUIRED)

# **ATTACHMENT "D"**

Applicant is a wholly-owned subsidiary of AGL Resources Inc., an energy services holding company whose principal business is the distribution of natural gas in six (6) states: Georgia, Virginia, Tennessee, Maryland, New Jersey and Florida. AGL Networks, LLC reports all financial information under AGL Resources Inc.'s annual report. The audited financial statements and accompanying notes of AGL Resources Inc. for the years 2008 and 2007 are attached hereto.

# **ATTACHMENT "E"**

Applicant seeks authority to offer intraLATA and interLATA non-switched, resold and facilities-based telecommunications services, including non-switched, private line services, resold and facilities-based point-to-point, point-to-multipoint, and multipoint-to-multipoint services, dark fiber and last-mile dedicated connectivity between intrastate locations, both intra-exchange and interexchange, for the provision of voice, data and information services to and between telecommunications service providers and business customers, including through the installation, construction, lease, management and sale of fiber optic networks throughout the State of Arizona. Applicant plans to deploy metropolitan fiber optic networks in Arizona, and to lease and sell the dark fiber that comprises these networks to telecommunications service providers and business customers.

#### **ATTACHMENT "F"**

The following is a description of AGL Networks, LLC's management team, including each member's respective biographical information:

#### **James Gillis**

## President and Manager, AGL Networks

James A. Gillis was named president and manager of AGL Networks, LLC in June, 2006, having joined the company in 2003 as vice president of wholesale markets. Mr. Gillis is responsible for leading all aspects of AGL Networks, LLC's operations, including, engineering, operation and construction, sales and all new market and business expansion. He plays a vital role in the development and implementation of a sustainable long term growth strategy for AGL Networks, LLC.

Prior to being named president, Mr. Gillis served as vice president of sales, marketing and business development for AGL Networks, LLC since January 2004. In that role he was responsible for setting an aggressive customer attainment and retention program in the wholesale and enterprise markets as well as evaluating new network and market expansion.

Mr. Gillis was a founding employee of KMC Telecom Holdings, a national facilities based competitive local exchange carrier with 35 operating markets. During his tenure with KMC Telecom Holdings he held positions there as vice president southeast region, vice president market development, vice president carrier sales and senior vice president of data outsourcing. In this last assignment he originated long term agreements that had annual sales of \$300M.

He spent the first 10 years of his career with Union Carbide in several sales and sales management roles in Houston, Los Angeles and the New York area. Mr. Gillis has over 25 years of sales and business development experience with the last 15 years in telecommunications.

Mr. Gillis is a graduate of Lycoming College in Williamsport, Pennsylvania.

#### W. Andy Harrison

## **Managing Director of Business Operations**

Mr. Harrison is the managing director of business operations for AGL Networks, LLC. He is responsible for back-office operations including revenue assurance, budgeting, GIS and record keeping systems, finance, contract management, as well as engineering, field operations, maintenance, and implementation.

Prior to his current assignment, Mr. Harrison served as Atlanta city manager for AGL Networks, LLC. His responsibilities included managing engineering, operation, and construction for AGL Networks, LLC's Atlanta network serving 150 building, 400 route miles, and 46,000 fiber miles. He was also director of project management where he developed project management practices and procedures; and directed network implementation in Richmond, Kansas City, St Louis, and Phoenix.

## **ATTACHMENT "F"**

Mr. Harrison has over 24 years of utility operation, construction, design, and project management experience. During his tenure at Atlanta Gaslight Company, an AGL Resources Inc. utility subsidiary, he served as a design engineer, supervisor of highway coordination, division engineer, and operations supervisor. During his tenure with Atlanta Gaslight Company, all of Atlanta Gaslight Company's DOT permits were submitted and negotiated under his supervision. As division engineer, he directed and coordinated all operations and engineering activities in the central Savannah River area of Georgia.

In addition to his career with the company, Mr. Harrison has served on the following Executive Boards: The Mutual Savings Credit Union, Boy Scouts of America, Georgia Society of Professional Engineers, and American Cancer Society. He is a past state president for the Georgia Society of Professional Engineers (GSPE) and has served as chair of the Loan Committee and Policy and Bylaw's Committee with the Mutual Savings Credit Union.

Mr. Harrison received an A.S. (cum laude) in engineering from Middle Georgia College in 1981 and a B.C.E. (cum laude) from Georgia Institute of Technology in 1983. He received his Professional Engineering license in 1988. He earned a Masters of Business Administration (cum laude) from Kennesaw State University in 2000.

# William Peeples

## **Director of Enterprise Sales and Marketing**

Mr. Peeples is the director of enterprise sales and marketing. He has a proven sales and sales management track record with strong leadership skills. These capabilities give him the ability to build and motivate successful teams within AGL Networks, LLC's channel partners. These relationships are critical success factors and continue to fuel AGL Networks, LLC's growth in the enterprise space.

Mr. Peeples is a 28 year veteran at AGL Resources Inc., holding numerous positions in operations, sales and sales management, the last 6 years of which he has spent directly in the telecom sector. He joined AGL Networks, LLC in 2001 when the business unit was in its infancy and was responsible for the development and launch of a go-to-market sales initiative for the business enterprise sector.

Recent career highlights include: 2004 Flame Keeper Award - given to select employees who demonstrate leadership, consistent high performance, produce measurable results and are committed to AGL Resources goals; 2004 AGL Networks, LLC "Salesperson of the Year"; 2002 Associate Vice President of Greater Atlanta Home Builders Association; 2000 Southern Gas Association's Service award for excellence; 1999 & 2000 Atlanta Gas Company's "President's Awards for Excellence".

Mr. Peeples is a lifelong Georgia resident, born in Thomasville and a 1982 graduate from Valdosta State University with a degree in Business Management where he is a member of the Kappa Alpha Order.

# ATTACHMENT "F"

#### **James Nolte**

#### Vice President, Strategic Accounts

James Nolte was named vice president of wholesale sales for AGL Networks, LLC in February, 2007. He joined the company in 2004. In his current role, Mr. Nolte has overall responsibility for the strategic direction of the wholesale business at AGL Networks, LLC. He leads a wholesale team that is responsible for developing new business opportunities, providing short and long term sales planning and executing these new business opportunities that enhance the long term value of AGL Networks, LLC's business.

Prior to being named to his current position, Mr. Nolte served as director of sales for wholesale markets, while focusing on strategic accounts for AGL Networks, LLC. He was responsible for developing relationships and new business opportunities with key strategic customers in emerging wireless and wireline wholesale accounts.

Mr. Nolte spent 12 years with AT&T in sales and sales management, 3 years with BellSouth in business development for the BellSouth.net division and 3 years with ICG Communications heading their southeast sales division. At ICG, he directed over 30 sales and operations personnel spread across 4 states. He has over 20 years of sales and business development experience focused in the telecommunications sector.

Mr. Nolte holds an MBA from Goizueta School of Business, Emory University, Atlanta, Georgia.

#### Deborah A. Silvia

## Director of Wholesale, Western Region

Ms. Silvia joined AGL Networks, LLC in September 2004 and was named director sales, wholesale. Her overall responsibilities involve managing the western region wholesale accounts. In this role she sets the strategic direction for AGL Networks, LLC to develop, plan and execute new opportunities with her existing or newly developed clients.

Since joining AGL Networks, LLC, Ms. Silvia has successfully developed and executed several strategic network expansion initiatives. She has an outstanding reputation for developing large projects with her strategic accounts that create a win-win for both parties. These complex projects generally include new network expansion and capitalize on AGL Networks, LLC's ability to build into capacity starved geographic areas and create a solution to serve the client's requirements as well as meet the financial needs of the client.

Ms. Silvia has an extensive background of 15 years in sales and business development.

Prior to joining AGL Networks, LLC, she held the position of vice president of sales, data outsourcing at KMC Telecom.

A native of Newport Rhode Island, Ms. Silvia received her bachelor's of science degree from the University of Rhode Island.

# ATTACHMENT "G"

Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.

Applicant's total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve (12) months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval, is approximately \$2,000,000.

2 Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.

Applicant expects to incur operating expenses in the amount of \$2,000,000 during the first twelve (12) months of providing telecommunications services to Arizona customers following certification.

Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.

Applicant estimates the net book value of all Arizona jurisdictional assets expected to be used in its provision of telecommunications services to Arizona customers at the end of the first twelve (12) months of operation will be approximately \$20,000,000.

4 If the projected value of all assets is zero, please specifically state this in your response.

Not applicable.

If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

Not applicable.

# **ATTACHMENT "H"**

# GEOGRAPHIC MARKET TO BE SERVED

A-10 Applicant adopts the statewide map of Arizona attached hereto.

